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THE WHITE HOUSE

WASHINGTON

September 24, 1975

ADMINISTRATIVELY CONFIDENTIAL

MEMORANDUM FOR:

JAMES E. CANNON L. WILLIAM SEIDMAN

FROM:

SUBJECT:

JAMES E. CONNOR JEE

Auto Emission Standards

The President reviewed your memorandum of September 22nd on the above subject and made the following notation:

> "<u>Fight</u> for a two year extension but all outside influence must be unified and vigorous."

Please follow-up with appropriate action.

cc: Don Rumsfeld

THE PRESIDENT HAS SEEL.

THE WHITE HOUSE

INFORMATION

WASHINGTON

September 22, 1975

MEMORANDUM FOR THE PRESIDENT

FROM:

JAMES CANNON

SUBJECT:

Auto Emission Standards

BACKGROUND

We discussed auto emission standards in individual meetings with John Ford (Chrysler Corporation), Oscar Lundin (General Motors), Fred Secrest (Ford Motor Company), and John Secrest (American Motors). We also talked with Frank Zarb, Russ Train, Leonard Woodcock, and others.

Our purpose was to determine the impact on jobs, energy and industry of various aspects of a five-year, three-year, or two-year suspension on auto standards. (A two-year suspension would extend present standards through the 1977 and 1978 model years, while a three-year suspension would include model years 1977, 1978, and 1979.)

STATUS

There are individual differences of view, but a general consensus:

- a. An end to uncertainty is imperative. Both labor and industry want a decision by Congress as soon as possible. No one wanted to reopen hearings.
- b. There are compelling economic arguments for a three-year suspension, but a two-year suspension would be helpful--in terms of jobs, costs and energy.
- c. Lundin (GM) and Woodcock supported a proposal to have the responsibility for setting auto emission standards moved from Congress to an inter-agency

group (e.g., FEA, EPA, National Science Foundation, Public Health Service, etc.)--with Congress retaining veto rights over any decision by such an inter-agency group.

REPORT TO CONGRESS

This information has been passed along to Senator Baker, Senator Buckley, Senator Domenici, and to Representatives Broyhill and Hastings, in individual meetings.

OUTLOOK

Good for a two-year suspension--unless Senator Muskie blocks it.

A three-year suspension is possible but unlikely.

There could be a compromise of a two-year suspension, with some additional relief on the NOX standards.

cc: Max Friedersdorf

THE WHITE HOUSE

WASHINGTON

September 4, 1975

ADMINISTRATIVELY CONFIDENTIAL

MEMORANDUM FOR:

JAMES M. CANNON L. WILLIAM SEIDMAN

FROM:

SUBJECT:

Suspension of 1978 Auto Emission Standards

JAMES E. CONNOR

The President has reviewed your memorandum of September 2nd and approved the following:

"Ask Baker and Domenici, informally, to initiate discussions leading to a prompt suspension of at least two years."

The following notation was also made:

"I have reservations without full notification to auto industry so they are not caught by surprise."

Please follow-up with appropriate action.

cc: Don Rumsfeld Jack Marsh THE PRESIDENT HAS SHEET

THE WHITE HOUSE

WASHINGTON

September 2, 1975

MEMORANDUM FOR THE PRESIDENT

FROM:

JAMES M. CANNON L. WILLIAM SEIDMAN

SUBJECT: Suspension of 1978 Auto Emission Standards

ISSUE

There are two central issues:

- How do we get Congress to provide some relief in auto emission standards for model years starting in 1978?
- 2. How do we get Congress to resolve this issue promptly?

BACKGROUND

On June 27, you sent to the Congress a special message calling for suspension for five years of new auto emission standards.

On July 26, you submitted necessary implementing legislation to amend the Clean Air Act and asked that hearings be held.

Subsequently, Senators Randolph and Baker sent you a letter indicating that reopening hearings would delay Congressional action until late October or early November. A response to the Randolph-Baker letter was drafted for your signature and cleared by EPB and the Domestic Council. This letter would propose that the Committee proceed with other amendments to the Clean Air Act and hold hearings only on auto emissions. The auto states and auto companies are becoming increasingly concerned. Governor Milliken intends to convene a conference of 10 governors whose states have major auto production facilities to gain support for your proposal. Additionally, the auto manufacturers plan to run full-page ads in 1800 newspapers outlining the issues as they see them.

CONGRESSIONAL SITUATION

Senator Baker, ranking minority member of the Senate Public Works Committee, and Senator Domenici, a minority member of the subcommittee handling this legislation, have informed us by telephone that insistence on public hearings would probably defeat your purpose because:

- Hearings would delay a Congressional decision until very late this year or possibly next year.
- 2. Hearings would probably make little difference in the ultimate committee decision.

Both Baker and Domenici suggest, instead, that they work informally--first, on their own initiative, and then with Administration representatives--to bring about a resolution of the auto emission issue, possibly with a compromise to continue existing standards for two years. Both believe they can find out, within two weeks after Congress returns, whether such a compromise is possible.

OPTIONS

Reaffirm your request for hearings and a five-year suspension. Ask Baker and Domenici, informally, to

Ask Baker and Domenici, informally, to initiate discussions leading to a prompt suspension of at least two years.

Supported by EPB (Seidman), Domestic Council (Cannon), FEA (Zarb), Marsh and Friedersdorf.

2 have reservations without full notification to auto undustry as they are not complet by surprise,