The original documents are located in Box 4, folder "Auto Emissions (7)" of the James M. Cannon Files at the Gerald R. Ford Presidential Library.

[Aug. 1975]

TAB
1

TAB 1

CHRONOLOGY OF AUTOMOBILE EMISSION LEVELS

The statutory standards for automobiles have become progressively more stringent since 1968. Whereas ambient standards are established by the Administrator of EPA as a regulatory action, automobile emission standards are set statutorily in the Clean Air Act. The following table shows the emission standards by model year. The Administration has made two legislative recommendations to relax the statutory standards. These are footnoted below:

Model Year United States (Clean Air Act)	Automobile Emission Standard (grams/mile)		
	HC	CO	NOX
Uncontrolled	8.7	87	3.5
1970	4.1	34	No standard
1972	3.0	28	No standard
1973-1974 1/	3.0	28	3.1
1975-1976 2/	1.5	15	3.1
1977 3/	1.5	15	2.0
1978			
State of California (State law)			
1975	.9	9.0	2.0

1/ In December 1973, the Administration proposed a three year freeze of the standards at the 1975 interim levels. The Congress adopted this proposal for two years (1975 and 1976.)

2/ The Administration, in the Energy Independence Act of 1975, proposed adopting the standards for HC and CO currently in force in the State of California, but proposed keeping the NOX standard frozen at their present levels through 1981.

3/ After public hearings, Administrator Train, as a regulatory action, has retained the current HC and CO standard through model year 1977. He had no regulatory responsibility over NOX, however, and therefore, the lower NOX level reflects current law. At the same time, EPA made its recommendation for the next five years. This recommendation is Option 2.

TAB
2

TAB 2

AIR QUALITY IMPACTS DUE TO LESS STRINGENT AUTOMOBILE STANDARDS

The following tables show the direction and magnitude of change in ambient concentration levels for CO, HC and NOX which would result from adopting standards which are less stringent than those proposed in the Energy Independence Act. Two additional points should be noted. First, though the tables assume that the statutory standards will be in force after the 1981 model year, if any of the options were kept through model year 1990, the concentration levels for each region would change very little and the conclusions reached remain basically the same. Secondly, because the concentration levels are projected through modeling techniques marginal changes in the concentration levels, whether increases or decreases, are often within the margin of statistical error.

Carbon Monoxide

Carbon monoxide levels in the atmosphere are much more sensitive to changes in automobile emission controls than either HC or NOX. Unlike those pollutants, the growth of stationary sources over the next ten years all have little effect on CO air quality. The following table shows 1985 projected concentration levels for twenty-six regions for each of the options presented. The most important conclusion is that older uncontrolled cars are being replaced by newer controlled cars and therefore, air quality is improving rapidly and will continue to improve until 1985 under all of the emission control options presented. The underlined regions are those which would exceed the ambient standard if a CO standard less stringent than proposed in the Energy Independence Act were adopted.

Predicted Ambient CO Concentration Levels
1985
(9 ppm = ambient standard)

Region	CO Automobile Emission Standard* (in PPM) 1974 and Canadian Stds through 1981	Current Stds through 1981	EPA Recommended Standards	President's Proposal
Birmingham	6	5	5	5
North Alaska	11	11	11	11
Clark-Mohave	6	6	5	5
Phoenix-Tucson	16	14	14	13
Los Angeles	13	12	11	11
Sacramento Valley	7	6	6	6
San Diego	5	5	5	5
San Francisco	6	6	6	6
San Joaquin	4	3	3	3
Denver	11	11	9	9
Hartford-New Haven	9	9	7	7
NY-NJ-Connecticut	15	13	13	13
Philadelphia	9	8	8	8
National Capitol	7	6	6	6
E. Washington N. Idaho	7	7	6	6
Chicago	7	6	6	5
Indianapolis	5	4	4	4
Kansas City	6	5	5	5
Baltimore	7	7	7	7
Boston	6	5	5	5
Minneapolis-St. Paul	9	8	8	7
Central New York	5	4	4	4
Portland	10	8	8	8
S.W. Penn.	7	6	6	6
Wasatch Front	15	13	13	13
Puget Sound	10	8	8	8

* Assumes statutory standards are in force after 1981 model year.

The chart reveals several observations. First, there is only a limited difference in ambient concentration levels at any of the standards represented, but the difference is particularly small when comparing either the President's proposed vehicle standard (9.0 grams/mile), EPA's recommended standard (15 grams/mile until 1979 and 9.0 grams/mile from 1979 to 1981), or the current standard (15 grams/mile) extended until 1981. In fact by 1985, the average ambient levels for this pollutant will have been reduced about 70 percent over 1970 levels with all five options.

Secondly, the choice of option will not significantly affect any single area's ability to achieve or maintain the standard by 1985. When comparing the President's proposed standard for carbon monoxide with EPA's recommended standard or with the current standard extended through 1981, with the sole exception of Denver, those areas below the ambient standard in 1985 will be below it regardless of the automobile emission standard chosen. The adoption of the Canadian standard would mean that two additional areas (Portland and Puget Sound) would violate the ambient standard by 1985, but only by a marginal amount.

Hydrocarbons

Only 25 percent of total hydrocarbon emissions are generated by automobiles. Therefore, hydrocarbon ambient air concentrations tend to be much less sensitive than carbon monoxide to the level of vehicle emission control.

The following chart displays the limited differential impact that more stringent vehicle hydrocarbon standards would have on ambient air quality by 1985 in those areas considered to have a hydrocarbon problem.

(Table appears on following page.)

The conclusions are essentially the same for hydrocarbons as they are for carbon monoxide. All of the twenty regions that are projected to exceed the ambient standard in 1985 will be above the standard regardless of the automobile emission level chosen. Conversely, all of the regions projected to have concentration levels below the ambient standard in 1985 at the stricter vehicle limitation are also projected to be below the ambient standard if any of the older automobile emission standards shown is chosen instead.

Predicted Ambient Oxidant Concentration Levels
1985
(Ambient Standard = .08 ppm)*

Region	HC Automobile Emission Standard (in grams/mile)			
	Canadian Stds through 1981	Current Stds Extended thru 1981	EPA Recommended Standards	President's Proposal
Birmingham	.12	.12	.11	.11
Mobile-Pensacola	.04	.04	.04	.04
Clark-Mohave	.13	.12	.12	.12
Phoenix-Tucson	.16	.16	.16	.16
Los Angeles	.43	.42	.42	.41
Sacramento Valley	.21	.20	.20	.20
San Diego	.20	.20	.20	.19
San Francisco	.23	.23	.23	.23
San Joaquin	.22	.21	.21	.21
S.E. Desert	.32	.32	.32	.32
Denver	.17	.16	.16	.16
NY-NJ-Conn.	.14	.13	.13	.13
Philadelphia	.10	.10	.10	.10
National Capitol	.26	.26	.25	.25
Cincinnati	.12	.11	.12	.11
Indianapolis	.08	.08	.08	.08
S. Lou.-S.E. Tex.	.20	.20	.19	.19
Boston	.11	.10	.10	.10
Toledo	.07	.07	.07	.07
El Paso-Las Cruces	.06	.06	.05	.05
Genessee- Finger Lakes	.08	.08	.08	.08
Dayton	.13	.12	.12	.12
Portland	.08	.08	.08	.08
S.W. Penn.	.12	.12	.11	.11
Austin-Waco	.07	.07	.07	.07
Corpus-Christi	.14	.14	.14	.14
Dallas-Ft.Worth	.05	.05	.05	.05
Houston-Galveston	.27	.27	.27	.27
San Antonio	.07	.07	.07	.07
Puget Sound	.08	.08	.08	.08

*The projected concentration levels assume the continuance of historic growth rates for the central business districts in each region.

Nitrogen Oxides

Federal Government and independent scientists have all predicted that a steady increase in ambient nitrogen dioxide concentrations will occur in metropolitan areas over the next ten years. Because controls on existing stationary sources are very limited, the EPA feels that a more stringent automobile standard will reduce that rate of increase. At the 3.1 grams/mile automobile emission limitation, a 32 percent average increase in air quality concentration is anticipated by 1985, compared to a 22 percent increase if the 2.0 grams/mile limitation were adopted.

Though the more stringent standard would have a significant effect on the overall predicted increase, the differential effect of the more stringent automobile standard on the actual concentration levels in those areas with nitrogen dioxide problems, is much less pronounced. This is shown in the following table which displays actual projected concentration levels in the ten problem areas for 1980 and 1985 and for both automobile emission standards.

Projected NOx Air Quality Concentrations
(Ambient standard is 100 ug/m^3)

	NOx Automobile Standard (in grams/mile)			
	1980		1985	
Region*	3.1 g/m	2.0 g/m	3.1 g/m	2.0 g/m
Phoenix	97	92	111	100
Los Angeles	173	163	194	173
San Francisco	93	88	102	92
Denver	119	115	135	125
NY/NJ/Conn	124	125	144	136
Philadelphia	107	104	121	117
National Capital	104	100	116	107
Chicago	133	129	152	145
Baltimore	99	96	116	109
Wasatch Front	121	116	137	124

* Projected concentration levels assume the continuance of historic growth rates for central business districts in each region.

By 1980, seven of the ten potential problem regions will exceed the ambient air quality standard if the 3.1 grams/mile automobile emission standard is maintained. All of those seven regions, however, would exceed the ambient standard even if the 2.0 grams/mile automobile emission level were adopted. In addition, the three potential problem regions which have projected concentration levels below the ambient standard at the 2.0 grams/mile vehicle limitation also will not exceed the ambient standard at 3.1 grams/mile.

With the exception of San Francisco, by 1985 all ten regions are predicted to have concentration levels above the ambient standard if either the 3.1 or 2.0 grams/mile limitation is placed on automobiles. San Francisco would remain below the standard if the more stringent emission limitation is adopted and, in fact, California currently has the more stringent limitation in force as a State regulation.

Two additional aspects of the above analysis should be noted. First, the projected air quality data for the ten regions assumes that the historic growth rates of industrial development and vehicle miles traveled in each metropolitan area will continue through 1985. No consideration, for example, was given for possible reductions in future vehicle miles traveled (and, therefore, reductions in pollutant emissions) which result from higher gasoline prices.

Secondly, the projected increases in nitrogen dioxide cannot be stopped without major technological innovations in stationary source control. Therefore, regardless of how stringent an automobile standard is applied, the future concentration levels in major metropolitan areas will primarily be a function of stationary source emissions. As a result, EPA's desire for a more stringent vehicle standard essentially reflects concern with total ambient concentration levels and does not address the relative degree of control exercised over stationary and mobile sources.

TAB
3

TAB 3

HEALTH IMPACTS OF SULFURIC ACID EMISSIONS FROM AUTOMOBILES

Though ambient carbon monoxide and concentration levels are not significantly affected by the range of automobile emission standards presented, the concentrations of sulfuric acid are affected.

Gasoline contains sulfur which, after combustion, is released as sulfur dioxide. In the process of removing other pollutants the catalytic converter changes some of the sulfur dioxide into sulfuric acid mist.

The catalyst emission system generally used to meet the 1975 interim standards produces less sulfuric acid than the system needed to meet more stringent emission standards.

Current estimates indicate that with existing automobile emission technology, the President's proposed emission standard for hydrocarbons and carbon monoxide (.9 and 9.0), will require the use of an air-injected oxidation catalyst. This catalyst results in a doubling of sulfuric acid emissions. Though there are several non-catalytic technologies which can meet the stricter emission limitations and which do not produce sulfuric acid there is little production potential for using these non-catalytic systems before the 1981 model year.

While all scientists agree that sulfuric acid is a toxic and potentially dangerous pollutant, there is still disagreement on the quantities of emissions needed to pose a health risk and on how long it would take for the build-up in concentration levels to occur. Because new data is currently under review and the state of knowledge is in flux, specific calculations or final judgments on sulfuric acid emission levels or the air quality or health impacts of the options presented cannot be made.

The following table therefore represents our best estimates of the years in which the sulfuric acid emission levels from automobiles could pose a serious threat to public health.

Standard	Model Year 1/ in which Sulfuric Acid could pose a serious health problem: Average Meteorological Conditions	Adverse Meteorological Conditions 2/
1975 Interim Standards	1981	1979
1975 California Standards		
In 49 States	1979	1977
In California 3/	1978	1977

1/ The data assumes that there are no emissions of sulfates from stationary sources, and that 70 percent and 90 percent of the fleet in 1975 and 1976 respectively will utilize catalysts.

2/ Adverse meteorological conditions would occur in large metropolitan areas on an average of 6-7 days a year.

3/ The dates for reaching a critical problem are earlier in California than the remaining 49 States because California utilizes higher sulfur gasoline.

The potential health effect of sulfuric acid emissions from automobiles is complicated by two additional factors. First, data available to date do not take into account "background" emissions of sulfates from stationary sources, e.g., coal-fired generating plants. These data represent only the potential health effects of emissions from mobile sources. The extent to which sulfate emissions from stationary sources add to the potential health risk associated with sulfuric acid emissions from automobiles is not known at this time. However, most analyses are tending toward a separation of the two pollutants from a health perspective. This is primarily because the particle size of sulfates is much larger than sulfuric acid mist and is not absorbed as deeply into the respiratory system. Also the toxicity of sulfate emissions from stationary sources is generally much less than sulfuric acid and finally, emissions from stationary sources do not occur in the breathing zone as do automobile emissions.

It is generally agreed that reducing nitrogen oxide emissions will result in an increase in emission of hydrocarbons from engines. To reduce that increment, manufacturers may increase the use of the air-injected oxidation catalyst -- even to meet the less stringent HC and CO standards. If this were the case, then nearly twice as much sulfuric acid would be generated as projected for the table above. However, at this time it is not known definitely whether manufacturers could achieve reductions of the HC increment through the use of engine modifications instead of the air-injected catalysts.

TAB 4

TAB 4

ECONOMIC IMPACT OF AUTOMOBILE OPTIONS

The options presented will impose varying cost burdens on the consumer. Also, separate costs are associated with actions on NOX and actions on HC and CO.

NOX

Consumers will face sticker price and operating cost increases over the 1975 model vehicles if EPA's recommended 2.0 grams/mile limitation is imposed. Estimates range from $10-25 for front-end costs per vehicle and from $0-15 in operating costs over 50,000 miles. However, not included are the additional costs of increased fuel consumption associated with this lower standard, which rough estimates place at $1.7 million per day.

HC and CO

The costs of maintaining the more stringent hydrocarbon and carbon monoxide standards (.9 and 9.0) as proposed by the President in the Energy Independence Act is estimated to be $50 per vehicle over 1975 automobiles. This would represent the additional costs of using the air-injected oxidation catalyst. However, not included are estimates of operating costs which would result from the increased consumption of gasoline that maintaining this option implies. Rough estimates place this cost at $1.7 million per day.

TAB 5

TAB 5

ENERGY IMPACTS OF OPTIONS

The options presented will have differential fuel economy impacts and therefore different impacts on manufacturers' ability to meet the 40 percent fuel economy goal. EPA disagrees with the fuel economy penalties here. The agency firmly believes that there are no technological barriers to reducing emission standards without a fuel penalty. However, a recent Columbia University study supports an even larger NOX penalty than the one used in this analysis.

A. Impact on 40 Percent Fuel Economy Goal

Options	% Over 1974	Shortfall (-) or excess (+) Over President's Goal
Energy Independence Act	40%	---
EPA Propsoal	36%	- 4%
1975 Stds. thru 1981	46%	+ 6%
Canadian and 1974 Stds. thru 1981	50%	+10%

B. Energy Impacts*

Options	Barrels per day (in 1980)
Energy Independence Act	85,000 (loss)
EPA Proposal	137,000 (loss)
1975 Stds. thru 1981	0
Canadian and 1974 Stds. thru 1981	27,000 (gain)

* Base is 1975 model year automobiles meeting 1975 interim emission standards.

TAB
6

TAB 6

SUMMARY OF REPORTS ON AUTOMOBILE EMISSION STANDARDS

Two noteworthy reports have been published which address an entire range of automobile options and their impacts on air quality, health, energy and costs.

National Academy of Sciences

At the request of the committee on Public Works, the National Academy of Sciences submitted a report entitled "Air Quality and Automobile Emission Control (August, 1973).

Air Quality

The NAS concluded that -

a. Federal ambient air quality standards for carbon monoxide (CO) could be met by 1990 even with some relaxation of the present automobile emission standards - but only if heavy vehicle and stationary sources were reduced to the same degree as emissions from automobiles.

b. The statutory emission standard of .4 grams for NOx may be more stringent than needed but only if stationary emissions are reduced to the same extent as automobile emissions.

c. The impact of HC emissions from automobiles varies greatly among geographical regions. In general, however, the statutory standard of .41 grams/mile is not sufficiently

stringent to assure compliance with the ambient air quality standard for oxidant. Present analyses, therefore, are inadequate to justify changes in the Federal motor vehicle emission standard for hydrocarbons at this time.

Role of Auto Emissions in Total Health Problem

The NAS concluded that between one-tenth and one-forth of the air pollution hazard is a result of automobile emissions. For the whole U.S. population, effects of this magnitude might represent as many as 4,000 deaths and 4 million illness restricted days per year.

Columbia University

In a more recent study funded by the NSF, Columbia University has published The Automobile and the Regulation of its Impact on the Environment. This report has concluded that:

a. The ultimate success of a strategy placing major reliance on emission controls in new vehicles depends on the availability of a durable and maintainable control technology. The development of such a technology would be best promoted by delaying the 1975/1976 standards for HC and CO until the 1980 model year.

b. The availability of control technology limits the degree of NOx emission reduction which can be achieved. Because of errors in ambient NOx concentration measurements, (the eventual reductions) the eventual reductions in automobile

NOx emissions required to meet ambient air quality standards are still in question.

c. While recognizing a fuel economy penalty of 5 percent, it is recommended that an emission level of 2.0 grams/mile for NOx be adopted for at least five years.

d. To induce advanced technologies, it is recommended that a schedule for NOx emission standards for the next ten years be developed and promulgated.

[Aug. 1975]

MEMORANDUM FOR: THE PRESIDENT

FROM:

SUBJECT: Automobile Emission Standards

Glenn

we need to discuss before mtg

Mike

Background

Pursuant to the Clean Air Act, the Administrator of EPA has established national ambient air quality standards which each region must achieve and maintain to protect health and welfare. The tnree regulated pollutants affecting automobiles are hydrocarbons (HC), carbon monoxide (CO), and nitrogen oxide (NOX). Though ambient standards for these pollutants are set by the Administrator of EPA as a regulatory action, automobile emission levels are set statutorily. Therefore, changes in automobile standards require legislation.

The primary purpose of controlling pollutants from automobiles is to help air quality regions throughout the nation reduce ambient pollution levels caused by both stationary source emissions and automobile emissions.

The levels established for ambient standards are themselves controversial. However, the National Academy of Science has recommended their retention pending further analysis. Such analysis may lead to change (more or less strict than present) but for purposes of this memo we have no choice but to use the present standards as a criterion to determine the contribution of mobile source controls toward protecting public health.

The Clean Air Act imposes increasingly more stringent automobile emission standards. (Tab 1 shows chronology of statutory standards.) At current standards, emissions for two of the pollutants (HC and CO) have already been reduced 83 percent and emissions of NOX have been reduced 11 percent from uncontrolled cars. The existing law, however, requires that these automobile emissions be reduced even further beginning with model year 1977 for NOX and model year 1978 for HC and CO.

~~In return for~~ As a part of reaching a voluntary agreement by automobile manufacturers to increase fuel economy 40 percent by 1980, the Administration's Energy Independence Act proposed amending the Clean Air Act to allow standards for HC and CO which are less stringent than the law would require through 1981, but more stringent than standards currently in force. It also proposed that the NOX standard be frozen at its current level until 1981 rather than become more stringent as present law requires. (Tab 1 also shows Administration positions on automobile standards since 1973.)

Subsequent to submitting the Energy Independence Act to Congress, the Environmental Protection Agency held public hearings on a regulatory action related to five-year emission levels. The hearings publicized that the catalytic converter, used to meet the HC and CO standards for 1975 and 1976 models, produces potentially harmful quantities of sulfuric acid. Furthermore, emissions of sulfuric acid would double if the more stringent

HC and CO standards proposed in the Energy Independence Act are imposed for 1977 and subsequent model years. The Administrator has concluded, in public announcements, that the HC and CO standards should be kept at their current 1975 levels through model year 1979. However, since even current levels present some potential health risk from converter-produced sulfuric acid, EPA has recommended that a sulfuric acid standard be established for model year 1979 vehicles. At the same time, EPA did not concur with the Administration's position on nitrogen oxides and called for making the NOx standard more stringent in model year 1977. (See Tab 1).

The Administration could avoid conflict on this matter by not making another recommendation for automobile emission levels, and let the Congress grapple with the problem. However, both public credibility and the need of the automobile industry for resolution by August of this year to design, certify and place orders for 1977 model vehicles argue for strong leadership by the Administration. Furthermore, there is a real risk that the voluntary fuel economy approach (40 percent improvement by 1980) may be jeopardized by decisions or delays in decisions on this issue.

While the choice of emission standards must represent a balance among public health, air quality, esthetic, energy, and cost considerations, the problems currently confronting the nation are different than those prevailing in 1970 when the Clean Air Act was passed. Inflation, unemployment, added costs to automobiles for safety requirements, and especially the

cost and availability of energy, suggest the possibility of Congressional reassessment of the relative weights accorded to various factors other than measures necessary to health.

The agreement by all health scientists that sulfuric acid from the catalytic converter is either a present or potential threat to public health requires that we reconsider our previous position on automobile emission levels, which to a large extent are premised on the use of the converter at least until model year 1981. The two important questions to be addressed are:

a. Does the reduction in automobile emission standards to the levels imposed on 1975 and subsequent model years (all of which require the use of the converter) have a significant impact on the ability of air quality regions to achieve ambient air standards? Data presented in this memorandum indicate that the present range of options does not have a significant impact on air quality.

b. Are automobile standards becoming stricter so quickly that technology presently identified to meet them creates other pollutants or hazards which are more dangerous, or potentially more dangerous, than the pollutants the technology is designed to reduce? This memorandum indicates that the answer may be yes in the short term -- at least until catalytic converters can be significantly modified or abandoned in favor of new engine technology.

Issue

What should be the Administration recommendation to Congress on automobile emission levels for 1977-81?

Options

The feasible range of options is:

	HC	CO	NOX
	(grams/mile)		
1. Energy Independence Act (January 1975)	.9	9.0	3.1
2. EPA Proposal (March 1975)			
1977-1979	1.5	15.0	2.0
1980-1981	.9	9.0	2.0
3. 1975 Standards	1.5	15.0	3.1
4. 1974 Standards	3.0	28.0	3.1
5. Canadian Standards	2.0	25.0	3.1
6. Standard thru 1981 if present law is not amended:			
1977	1.5	15.0	2.0
1978-1981	.41	3.4	.4

Analysis

Over the next ten years the quality of the nation's air with respect to automotive pollutants is, with few exceptions, virtually independent of the particular option chosen within the above identified feasible range. For hydrocarbons (HC) and nitrogen oxide (NOX) the marginal reductions in emissions from automobiles will be greatly exceeded by increased emissions from (relatively uncontrollable) stationary sources. In other words,

the problem area is primarily stationary sources and not the automobile insofar as HC and NOX are concerned. With respect to carbon monoxide (CO), ambient conditions are improving rapidly as older uncontrolled vehicles are being replaced by newer controlled vehicles. This trend will continue irrespective of the option chosen. Tab 2 identifies those regions which will exceed ambient limitations for each pollutant as a direct result of adopting less stringent standards than proposed in the Energy Independence Act. All other regions in the country will be below or above the ambient standard regardless of the choise of option presented.

Option 1 (Energy Independence Act)

~~(1.5~~ .9 (HC); ~~15~~ 9.0 (CO); 3.1 (NOX) through 1981)

Opposed by all agencies because the more stringent HC and CO levels (relative to the other options) will result in a much greater release of sulfuric acid and therefore a greater potential health hazard. However, at least EPA and certainly the environmentalists will oppose not adopting a stricter NOX level. Some environmentalists may even dispute the relaxation of the HC and CO standard. (Tab 3 details the sulfuric acid risk associated with catalytic converters.) This option will also increase automobile costs by $50 per vehicle over current sticker prices (Tab 4) and impose a 3 to 5 percent fuel penalty (65,000 barrels of oil per day). (See Tab 5.)

Option 2 (EPA)
(1977-1979 - 1.5 (HC); 15 (CO); 2.0 (NOX)
(1980-1981 - .9 (HC); 9 (CO); 2.0 (NOX)

Freezing the HC and CO standards at present levels through model year 1979 are intended to prevent the increases in sulfuric acid emissions that would come from tighter standards. This may be negated, however, by the more stringent NOX limitation for 1977 and subsequent model years because with given technology, manufacturers will likely choose to use the air-injected catalyst to meet this combination of limitations, particularly since more stringent HC and CO standards are projected under the EPA proposal for 1980-1981. (See Tab 3.) This option will increase cost by $15 to $25 per vehicle over current sticker prices (Tab 4), and will impose a 3 to 5 percent fuel economy penalty (85,000 barrels of oil per day). (See Tab 5.)

Option 3 (Current standards extended through 1981
(1.5 (HC); 15 (CO); 3.1 (NOX)

Freezing HC and CO standards at present levels would prevent the increase in emissions of sulfuric acid that would result from tighter standards in 1980 if technology isn't improved. But even present standards may involve a sulfuric acid health risk. (See Tab 3.) By definition no cost increases would result (Tab 4) and rather than their being a fuel economy penalty, fuel economy will continue to improve. (See Tab 5.) Environmentalists will strongly object and Congressional acceptance would be difficult.

Options 4 and 5 (Canadian standards or 1974 standards)
(2.0 HC; 25 (CO); 3.1 NOX - 3.0 HC; 28.0 (CO); 3.1 NOX respectively)

The difference between the Canadian standards and the 1974 standards is not significant, but the former are slightly more stringent. Adoption of either would eliminate the problem presented in Options 1-3, i.e., significantly reduce emissions of sulfuric acid, because either can be achieved without the use of the converter. In fact, the use of catalytic converters would decrease (Tab 3) and result in cost savings (Tab 4) and energy savings (Tab 5).

There is substantial evidence that by model year 1981 new "lean-burn" or "stratified charge" engines would permit meeting the lower (2.0) NOX standard. Thus a variant of options 4 and 5 would be to propose lowering the NOX standard for 1981 models. Even with such a variant, however, the environmentalists would be very much opposed if either Option 4 or 5 were adopted, and chances of Congressional acceptance is quite slim.

The reason is that these options mean steps backward from the current standards for HC and CO. Even though there is now substantial evidence that the Canadian or 1974 standards do not adversely change the possibilities of attaining our clean air ambient air quality standards for HC and CO, and there is also now at least a serious question of sulfuric acid health risks from converters, claims will be made that we "sold out" to Detroit. The problem is compounded by comparison to your proposed Energy Independence Act, which was 180 degrees in the

opposite direction, with respect to HC and CO, less than three months ago. Although you were apparently not apprised of the potential sulfuric acid problem in connection with those decisions -- apparently because the experts were not then as concerned as now as to possible risk -- critics will point to a reversal as showing we are in "disarray."

If either Option 4 or 5 is chosen, mechanism for reviewing the situation annually to weigh the sulfuric acid risks, technology advances, and new ways to attack the stationary source problem should be stressed.

Agency Positions

EPA

DOT

TREASURY

DOI

HEW

DOC

CEQ

FEA

ERDA

OMB

TAB 1

CHRONOLOGY OF AUTOMOBILE EMISSION LEVELS

The statutory standards for automobiles have become progressively more stringent since 1968. Whereas ambient standards are established by the Administrator of EPA as a regulatory action, automobile emission standards are set statutorily in the Clean Air Act. The following table shows the emission standards by model year. The Administration has made two legislative recommendations to relax the statutory standards. These are footnoted below:

Model Year	Automobile Emission Standard (grams/mile)		
	HC	CO	NOx
United States (Clean Air Act			
Uncontrolled	8.7	87	3.5
1970	4.1	34	No standard
1972	3.0	28	No standard
1973-1974 1/	3.0	28	3.1
1975-1976 2/	1.5	15	3.1
1977 3/	1.5	15	2.0
1978			
State of California (State law)			
1975	.9	9.0	2.0

1/ In December 1973, the Administration proposed a three year freeze of the standards at the 1975 interim levels. The Congress adopted this proposal for two years (1975 and 1976).

2/ The Administration, in the Energy Independence Act of 1975, proposed adopting the standards for HC and CO currently in force in the State of California, but proposed keeping the NOx standard frozen at their present levels through 1981.

3/ After public hearings, Administrator Train, as a regulatory action, has retained the current HC and CO standard through model year 1977. He had no regulatory responsibility over NOx, however, and therefore, the lower NOx level reflects current law. At the same time, EPA made its recommendation for the next five years. This recommendation is Option 2.

TAB 2

AIR QUALITY IMPACTS DUE TO LESS STRINGENT AUTOMOBILE STANDARDS

The following tables show the direction and magnitude of change in ambient concentration levels for CO, HC and NOx which would result from adopting standards which are less stringent than those proposed in the Energy Independence Act. Two additional points should be noted. First, though the tables assume that the statutory standards will be in force after the 1981 model year, if any of the options were kept through model year 1990, the concentration levels for each region would change very little and the conclusions reached remain basically the same. Secondly, because the concentration levels are projected through modeling techniques marginal changes in the concentration levels, whether increases or decreases, are often within the margin of statistical error.

Carbon Monoxide

Carbon monoxide levels in the atmosphere are much more sensitive to changes in automobile emission controls than either HC or NOX. Unlike those pollutants, the growth of stationary sources over the next ten years all have little effect on CO air quality. The following table shows 1985 projected concentration levels for twenty-six regions for each of the options presented. The most important conclusion is that older uncontrolled cars are being replaced by newer controlled cars and therefore, air quality is improving rapidly and will continue to improve until 1985 under all of the emission control

options presented. The underlined regions are those which would exceed the ambient standard if a CO standard less stringent than proposed in the Energy Independence Act were adopted.

Predicted Ambient CO Concentration Levels
1985
(9 ppm = ambient standard)

Region	CO Automobile Emission Standard* (in PPM) 1974 and Canadian Stds through 1981	Current Stds through 1981	EPA Recommended Standards	President's Proposal
Birmingham	6	5	5	5
North Alaska	11	11	11	11
Clark-Mohave	6	6	5	5
Phoenix-Tucson	16	14	14	13
Los Angeles	13	12	11	11
Sacramento Valley	7	6	6	6
San Diego	5	5	5	5
San Francisco	6	6	6	6
San Joaquin	4	3	3	3
Denver	11	11	9	9
Hartford-New Haven	9	9	7	7
NY-NJ-Connecticut	15	13	13	13
Philadelphia	9	8	8	8
National Capitol	7	6	6	6
E. Washington N. Idaho	7	7	6	6
Chicago	7	6	6	5
Indianapolis	5	4	4	4
Kansas City	6	5	5	5
Baltimore	7	7	7	7
Boston	6	5	5	5
Minneapolis-St. Paul	9	8	8	7
Central New York	5	4	4	4
Portland	10	8	8	8
S.W. Penn.	7	6	6	6
Wasatch Front	15	13	13	13
Puget Sound	10	8	8	8

* Assumes statutory standards are in force after 1981 model year.

The chart reveals several observations. First, there is only a limited difference in ambient concentration levels at any of the standards represented, but the difference is particularly small when comparing either the President's proposed vehicle standard (9.0 grams/mile), EPA's recommended standard (15 grams/mile until 1979 and 9.0 grams/mile from 1979 to 1981), or the current standard (15 grams/mile) extended until 1981. In fact by 1985, the average ambient levels for this pollutant will have been reduced about 70 percent over 1970 levels with all five options.

Secondly, the choice of option will not significantly affect any single area's ability to achieve or maintain the standard by 1985. When comparing the President's proposed standard for carbon monoxide, with EPA's recommended standard or with the current standard extended through 1981, with the sole exception of Denver, those areas below the ambient standard in 1985 will be below it regardless of the automobile emission standard chosen. The adoption of the Canadian standard would mean that two additional areas (Portland and Puget Sound) would violate the ambient standard by 1985, but only by a marginal amount.

Hydrocarbons

Only 25 percent of total hydrocarbon emissions are generated by automobiles. Therefore, hydrocarbon ambient air concentrations tend to be much less sensitive than carbon monoxide to the level of vehicle emission control.

The following chart displays the limited differential impact that more stringent vehicle hydrocarbon standard would have on ambient air quality by 1985 in those areas considered to have a hydrocarbon problem.

(Table appears on following page.)

The conclusions are essentially the same for hydrocarbons as they are for carbon monoxide. All of the twenty regions that are projected to exceed the ambient standard in 1985 will be above the standard regardless of the automobile emission level chosen. Conversely, all of the regions projected to have concentration levels below the ambient standard in 1985 at the stricter vehicle limitation are also projected to be below the ambient standard if any of the other automobile emission standards shown is chosen instead.

Predicted Ambient Oxidant Concentration Levels
1985
(Ambient Standard = .08 ppm)*

Region	HC Automobile Emission Standard (in grams/mile)			
	Canadian Stds through 1981	Current Stds Extended thru 1981	EPA Recommended Standards	President's Proposal
Birmingham	.12	.12	.11	.11
Mobile-Pensacola	.04	.04	.04	.04
Clark-Mohave	.13	.12	.12	.12
Phoenix-Tucson	.16	.16	.16	.16
Los Angeles	.43	.42	.42	.41
Sacramento Valley	.21	.20	.20	.20
San Diego	.20	.20	.20	.19
San Francisco	.23	.23	.23	.23
San Joaquin	.22	.21	.21	.21
S.E. Desert	.32	.32	.32	.32
Denver	.17	.16	.16	.16
NY-NJ-Conn.	.14	.13	.13	.13
Philadelphia	.10	.10	.10	.10
National Capitol	.26	.26	.25	.25
Cincinnati	.12	.11	.12	.11
Indianapolis	.08	.08	.08	.08
S. Lou.-S.E. Tex.	.20	.20	.19	.19
Boston	.11	.10	.10	.10
Toledo	.07	.07	.07	.07
El Paso-Las Cruces	.06	.06	.05	.05
Genessee- Finger Lakes	.08	.08	.08	.08
Dayton	.13	.12	.12	.12
Portland	.08	.08	.08	.08
S.W. Penn.	.12	.12	.11	.11
Austin-Waco	.07	.07	.07	.07
Corpus-Christi	.14	.14	.14	.14
Dallas-Ft.Worth	.05	.05	.05	.05
Houston-Galveston	.27	.27	.27	.27
San Antonio	.07	.07	.07	.07
Puget Sound	.08	.08	.08	.08

*The projected concentration levels assume the continuance of historic growth rates for the central business districts in each region.

Nitrogen Oxides

Federal Government and independent scientists have all predicted that a steady increase in ambient nitrogen dioxide concentrations will occur in metropolitan areas over the next ten years. Because controls on existing stationary sources are very limited, the EPA feels that a more stringent automobile standard will reduce that rate of increase. At the 3.1 grams/mile automobile emission limitation, a 32 percent average increase in air quality concentration is anticipated by 1985, compared to a 22 percent increase if the 2.0 grams/mile limitation were adopted.

Though the more stringent standard would have a significant effect on the overall predicted increase, the differential effect of the more stringent automobile standard on the actual concentration levels in those areas with nitrogen dioxide problems, is much less pronounced. This is shown in the following table, which displays actual projected concentration levels in the ten problem areas for 1980 and 1985 and for both automobile emission standards.

Projected NOx Air Quality Concentrations
(Ambient standard is 100 ug/m^3)

	NOx Automobile Standard (in grams/mile)			
	1980		1985	
Region*	3.1 g/m	2.0 g/m	3.1 g/m	2.0 g/m
Phoenix	97	92	111	100
Los Angeles	173	163	194	173
San Francisco	93	88	102	92
Denver	119	115	135	125
NY/NJ/Conn	124	125	144	136
Philadelphia	107	104	121	117
National Capital	104	100	116	107
Chicago	133	129	152	145
Baltimore	99	96	116	109
Wasatch Front	121	116	137	124

* Projected concentration levels assume the continuance of historic growth rates for central business districts in each region.

By 1980, seven of the ten potential problem regions will exceed the ambient air quality standard if the 3.1 grams/mile automobile emission standard is maintained. All of those seven regions, however, would exceed the ambient standard even if the 2.0 grams/mile automobile emission level were adopted. In addition, the three potential problem regions which have projected concentration levels below the ambient standard at the 2.0 grams/mile vehicle limitation also will not exceed the ambient standard at 3.1 grams/mile.

With the exception of San Francisco, by 1985 all ten regions are predicted to have concentration levels above the ambient standard if either the 3.1 or 2.0 grams/mile limitation is placed on automobiles. San Francisco would remain below the standard if the more stringent standard is adopted and, in fact, California currently has the more stringent standard in force as a State regulation.

Two additional aspects of the above analysis should be noted. First, the projected air quality data for the ten regions assumes that the historic growth rates of industrial development and vehicle miles traveled in each metropolitan area will continue through 1985. No consideration, for example, was given for possible reductions in future vehicle miles traveled (and, therefore, reductions in pollutant emissions) which result from higher gasoline prices.

Secondly, the projected increases in nitrogen dioxide cannot be stopped without major technological innovations in stationary source control. Therefore, regardless of how stringent an automobile standard is applied, the future concentration levels in major metropolitan areas will primarily be a function of stationary source emissions. As a result, EPA's desire for a more stringent vehicle standard essentially reflects concern with total ambient concentration levels and does not address the relative degree of control exercised over stationary and mobile sources.

TAB 3

HEALTH IMPACTS OF SULFURIC ACID EMISSIONS FROM AUTOMOBILES

Though ambient carbon monoxide and oxidant concentration levels are not significantly affected by the range of automobile emission standards presented, they do have varying impacts on the concentrations of sulfuric acid.

Gasoline contains sulfur which, after combustion, is released as sulfur dioxide. In the process of removing other pollutants, the catalytic converter changes some of the sulfur dioxide into sulfuric acid mist.

The catalyst emission system generally used to meet the 1975 interim standards produces less sulfuric acid than the system needed to meet more stringent emission standards.

Current estimates indicate that with existing automobile emission technology, the President's proposed emission standard for hydrocarbons and carbon monoxide (.9 and 9.0), will require the use of an air-injected oxidation catalyst. This catalyst results in a doubling of sulfuric acid emissions. Though there are several non- catalytic technologies which can meet the stricter emission limitations and which do not produce sulfuric acid there is little production potential for using these non-catalytic systems before the 1981 model year.

While all scientists agree that sulfuric acid is a toxic and potentially dangerous pollutant, there is still disagreement on the quantities of emissions needed to pose a health risk and how long it would take for the build-up in concentration levels to occur. Because new data is currently under review and the state of knowledge is in flux specific calculations or final judgments on sulfuric acid emission levels or the air quality or health impacts of the options presented cannot be made.

The following table therefore represents our best estimates of the years in which the sulfuric acid emission levels from automobiles could pose a serious threat to public health.

Standard	Model Year 1/ in which Sulfuric Acid could pose a serious health problem	
	Average Meteorological Conditions	Adverse Meteorological Conditions 2/
1975 Interim Standards	1981	1979
1975 California Standards		
In 49 States	1979	1977
In California 3/	1978	1977

1/ The data assumes that there are no emissions of sulfates from stationary sources, and that 70 percent and 90 percent of the fleet in 1975 and 1976 respectively will utilize catalysts.

2/ Adverse meteorological conditions would occur in large metropolitan areas on an average of 6-7 days a year.

3/ The dates for reaching a critical problem are earlier in California than the remaining 49 States because California utilizes higher sulfur gasoline.

The potential health effect of sulfuric acid emissions from automobiles is complicated by two additional factors. First, data available to date do not take into account "background" emissions of sulfates from stationary sources, e.g., coal-fired generating plants. These data represent only the potential health effects of emissions from mobile sources. The extent to which sulfate emissions from stationary sources add to the potential health risk associated with sulfuric acid emissions from automobiles is not known at this time. However, most analyses are tending toward a separation of the two pollutants from a health perspective. This is primarily because the particle size of sulfates is much larger than sulfuric acid mist and is not absorbed as deeply into the respiratory system. Also the toxicity of sulfate emissions from stationary sources is generally much less than sulfuric acid and finally, emissions from stationary sources do not occur in the breathing zone as do automobile emissions.

It is generally agreed that reducing nitrogen oxide emissions will result in an increase in emission of hydrocarbons from engines. To reduce that increment, manufacturers may increase the use of the air-injected oxidation catalyst -- even to meet the less stringent HC and CO standards. If this were the case, then nearly twice as much sulfuric acid would be generated than is projected above. However, at this time it is not known definitely whether manufacturers could achieve reductions of the increment through the use

of engine modifications instead of the air-injected catalysts.

TAB 4

ECONOMIC IMPACT OF AUTOMOBILE OPTIONS

The options presented will impose varying cost burdens on the consumer. Also, separate costs are associated with actions on NOx and actions on HC and CO.

NOx

Consumers will face sticker price and operating cost increases over 1975 model vehicles if EPA's recommended 2.0 grams/mile limitation is imposed. Estimates range from $10-25 for front-end costs per vehicle and from $0-15 in operating costs over 50,000 miles. However, not included are the additional costs of increased fuel consumption associated with this lower standard, which rough estimates place at $1.7 million per day.

HC and CO

The costs of maintaining the more stringent hydrocarbon and carbon monoxide standards (.9 and 9.0) as proposed by the President in the Energy Independence Act is estimated to be $50 per vehicle over 1975 automobiles. This would represent the additional costs of using the air-injected oxidation catalyst. However, not included are estimates of operating costs which would result from the increased consumption of gasoline that maintaining this option implies, Rough estimates place this cost at $1.7 million per day.

TAB 5

ENERGY IMPACTS OF OPTIONS

The options presented will have differential fuel economy impacts and therefore different impacts on manufacturers' ability to meet the 40 percent fuel economy goal. EPA disagrees with the fuel economy penalties here. The agency firmly believes that there are no technological barriers to reducing emission standards without a fuel penalty. However, a recent Columbia University study supports the findings shown and in some cases predicts even larger penalties for lowering the NOX level than is assumed in this analysis.

A. Impact on 40 percent Fuel Economy Goal

Options	% Over 1974	Shortfall (-) or excess (+) Over President's Goal
Energy Independence Act	40%	---
EPA Proposal	36%	- 4%
1975 Stds. thru 1981	46%	+ 6%
Canadian and 1974 Stds. thru 1981	50%	+10%

B. Energy Impacts*

Options	Barrels per day (in 1980)
Energy Independence Act	85,000 (loss)
EPA Proposal	137,000 (loss)
1975 Stds. thru 1981	0
Canadian and 1974 Stds. thru 1981	27,000 (gain)

* Base is 1975 model year automobiles meeting 1975 interim emission standards.

aug 1975 ?

TO: JIM CAVANAUGH

FROM: GLENN SCHLEEDE

SUBJECT: AUTO EMISSIONS

Here is a copy of the file on auto emissions.

As I promised you earlier, I have discussed it with Russ Train and started talking with people on the Hill at the staff level. Briefly:

. Russ Train (He was out of town when Dick Dunham tried to get his vote on the option paper) Russ says he does not know what to do on this issue but has the following comments:
- He believes the proposed letter would serve to harden positions even more.
- He thinks Muskie and Baker are looking for a way to handle the issue that doesn't look like capitulation to the auto industry, that gives some relief, that keeps the pressure on the auto industry to do better, and which saves face for Muskie.
- He thinks that a meeting with the President and Randolph, Baker, Muskie and Buckley may have some merit -- but he warns that Muskie and Buckley are very well informed on the issue and he believes it would be difficult to bring the President up to speed.
- He is willing to talk with Baker, Domenici or others on the issue if we want him to.
- He recognizes the advantages to the Administration of splitting of the auto emissions part of the clean air act amendments -- since other amendments are likely to be intolerable, but he doubts that the committee will go along since they recognize that auto emissions is their ace in the hole for getting the President to sign all the amendments.

. Mike Hathaway (Assistant to Senator McClure).

Mike likes the idea of splitting off the auto emissions. He recognizes that the only hope now of getting the committee to move XXXXX off its current position is to bring publicity to bear. He indicates, however, that this should emphasize economic impact and jobs, that energy alone isn't having much effect on the committee. He urges that somebody other than FEA testify on job and economic impact if hearings are held, that testimony on

small health impact of tighter standards be reemphasized. He points out that we will have to do more than hearings to get publicity favoring the President's position since Muskie will be controlling the hearings and probably the publicity from them.

- Baker's staff people have been on leave.

- House Commerce staff familiar with the issue are also out of town.

At present my recommendations would be:

1. Proceed with a letter like the one attached to the option paper.
2. Also arrange for a meeting with Randolph, Baker, Muskie and Buckley, to be followed by a briefing by Zarb, Train and somebody on economic impact -- if we can get something credible.
3. A concerted background briefing effort on energy and economic impact.

If we are to make this work, we'd need help from Seidman's staff, FEA and OMB.

OUTSTANDING PHONE CALLS — from Tuesday, August 5, 1975

[redacted] — 212/559-0779

John Hill — 302/539 4415

Senator Baker — 224 4944

Senator Domenici — 224 6621

REMINDER: You wanted to call Hal Bruno this week — 654 3337

DOMESTIC COUNCIL CLEARANCE SHEET

DATE Aug. 4, 1975

JMC action required by: _____

TO : JIM CANNON

VIA: DICK DUNHAM

or

JIM CAVANAUGH

FROM :

SUBJECT : Auto Emission Standards - Response to Senators Baker and Randolph Letter

COMMENTS:

DATE: _____

RETURN TO:

Material has been:

___ Signed and forwarded

___ Changed and signed (Copy attached)

___ Returned per our conversation

___ Noted

___

Jim Cannon

Draft
DECISION

THE WHITE HOUSE

WASHINGTON

August 1, 1975

MEMORANDUM FOR THE PRESIDENT

FROM: JIM CANNON

SUBJECT: Auto Emission Standards - Response to Senators Baker and Randolph Letter

Background

On July 26 you asked Congress to reopen hearings on the auto emission portion of the Clean Air Act and submitted a draft bill carrying out your proposal to extend 1975-76 auto emission standards through model year 1981. (See Tab A for additional background.)

Senators Baker and Randolph responded on July 29, saying, in effect, that they are not enthusiastic about reopening hearings because it would mean a several month delay in reporting out the Clean Air Act. (See Tab B.)

Your letters requesting hearings and transmitting legislation are at Tab C.

Recommendations

There are three possible ways of responding:

Alternative 1: amendments

Concede the argument in the Senators' letter and react to the Clean Air Act when it is passed.

The argument for this option is in the expectation that the Clean Air Act, both in its industrial and auto emission features, will be so onerous in its impact on the economy that a veto is clearly indicated and can be sustained.

The danger in this option, however, is that the auto emission standards now in the Clean Air Act for 1977 involve a 3-5% gasoline mileage penalty, and standards due to go into effect for 1978 models are so extreme that the auto industry could not meet them and still produce cars.

A new auto emission law would take time, probably several months, to work its way through Congress, and in the meantime, the auto industry must begin to make the design and engineering changes to meet whatever standards are to be.

Alternative 2:

Attempt to negotiate with Committee members or staff during the month of August.

Because of known views of most of the Senate Committee members [and staff], it is quite unlikely that a satisfactory compromise would be reached.

Alternative 3:

Respond formally, urging that hearings be held and that auto emissions be handled in a separate bill. Proposed letter at Tab D.

The principal arguments for this are: (1) The approach outlined in the letter is a reasonable one for minimizing delay, and (2) if successful, it would permit more time to deal with Clean Air Act amendments on matters other than auto emissions--which may be even more difficult to accept. Also, experience with the Committee indicates that formal communications are the most effective way of getting consideration of Administration views. It permits the Committee to share with you some blame for potential delay--which appears to be one of their objectives.

The principal argument against it is that others affected by the amendments may object to singling out the auto industry for special attention. Also, a letter rather than informal communication will attract more attention to an Administration position that has gained little public support so far.

Recommendations and Decision

_____Alternative #1: Do not press further with hearings; deal with the bill when it arrives.

_____Alternative #2: Open negotiations with the Committee or staff seeking acceptable standards. (Russ Peterson favors this option.)

_____Alternative #3: Respond with a letter urging hearings and splitting off of auto emissions from the other Clean Air Act Amendments. (Letter for your signature at Tab D.)

(Robert T. Hartmann, Jack Marsh, Bill Seidman, Rog Morton, Frank Zarb, Phil Buchen, Jim Lynn, and I support this option. Phil Buchen would modify it to allow for two weeks of negotiations with the Committee before it is sent.)

TAB A

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

✓ 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)

Model Year	HC	CO	NOX
Current Law			
1975-76	1.5	15.0	3.1
1977	1.5	15.0	2.0
1978 on	.41	3.4	.4
President's Proposal			
1977-81	1.5	15.0	3.1
House Commerce Subcommittee (Rogers)			
1977	1.5	15.0	2.0
1978-79	.9	9.0	2.0
1980 on	.41	3.4	.4
Senate Public Works Subcommittee (Muskie)			
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

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)

TAB B

7-29

Senate

WORKS
20510

Honorable Gerald R. Ford
The President
The White House

Dear Mr. President:

We have discussed your July 26, 1975 request for a hearing on automobile emissions with the Members of the Committee on Public Works. There is agreement that a hearing could be held if you desire it. We believe, however, that there is certain information which you should have before you.

If such a hearing is held, undoubtedly private and public groups would also desire to be heard on the information presented. We would be constrained to honor those requests. Such a situation would entail postponing further Committee consideration of other issues involved in the Clean Air Act. It had been our hope to begin Full Committee consideration of the Clean Air Act during the week of September 8 so that during that week and the following week, we could develop and report the legislation for Senate consideration.

By reason of service on the Budget Committee, Senator Muskie, Chairman of the Subcommittee, Senator Buckley, the Ranking Minority Member and Senator McClure and Senator Domenici, two important participants in the consideration of Clean Air Act Amendments, will be required to address themselves to the Second Budget Resolution which must be considered by the Congress by mid-October. If the hearings you request are held, it is a reasonable certainty that the Public Works Committee could not conclude its deliberations on the Clean Air Act until late October or early November. This delay, would, we suggest, cause severe problems for those who are regulated by the Act, including the automobile industry.

Mr. President, if you have further counsel to give us in this matter, we shall be pleased to receive it.

Truly,

Howard H. Baker, Jr.
Ranking Minority Member

Jennings Randolph
Chairman

TAB C

IMMEDIATE RELEASE July 28, 1975

Office of the White House Press Secretary

THE WHITE HOUSE

TEXT OF LETTERS FROM THE PRESIDENT TO THE
SPEAKER OF THE HOUSE OF REPRESENTATIVES
AND THE PRESIDENT OF THE SENATE

July 26, 1975

Dear Mr. Speaker: (Dear Mr. President:)

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

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

Sincerely,

GERALD R. FORD

# # # #

A BILL

To amend the Clean Air Act to continue 1975-76 Federal automobile emission standards through the 1981 model year to permit a balance among the important objectives of improving air quality, protecting public health and safety, and avoiding unnecessary increases in consumer costs for automobiles, decreases in gasoline mileage, and increases in the Nation's dependence on imported oil.

Be it enacted by the Senate and the House of Representatives of the United States of America in Congress assembled,

Sec. 2. The Clean Air Act, as amended, 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.

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)

(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 July 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 July 1, 1978. 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.

IMMEDIATE RELEASE July 28, 1975

Office of the White House Press Secretary

THE WHITE HOUSE

TEXT OF LETTERS FROM THE PRESIDENT TO
THE CHAIRMAN, SENATE WORKS COMMITTEE
AND
THE CHAIRMAN, HOUSE INTERSTATE
AND FOREIGN COMMERCE COMMITTEE

July 26, 1975

Dear Mr. Chairman:

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 model year 1981.

I believe it 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 Administration witnesses can present the findings.

Sincerely,

GERALD R. FORD

The Honorable Jennings Randolph
Chairman
Public Works Committee
United States Senate
Washington, D.C. 20510

The Honorable Harley O. Staggers
Chairman
Interstate and Foreign
Commerce Committee
House of Representatives
Washington, D.C. 20515

# # # #

TAB D

X 4-1

DRAFT #1

Baker
Domenici

Dear Senator Randolph(Senator Baker)

Thank you for your prompt consideration of my request that your Committee hold additional hearings on the matter of automobile emission standards[,particularly to consider the bill I have proposed to extend current Federal standards through the 1981 model year].

The review that has been completed within the executive branch considered the implications of alternative automobile emission standards for 1977 and future years on air quality, health, consumer costs, gasoline mileage and other energy goals. I believe a discussion of our findings by Administration witnesses would be an important addition to the hearings held previously by your Subcommittee on Environmental Pollution.

I understand and fully support your view that witnesses in addition to those from the Administration should be heard if you decide to hold hearings. Your decisions will have an effect on many Americans and a full public discussion of all points of view is necessary if we are to find the best possible balance among objectives for improving environmental quality, protecting public health and safety and avoiding unnecessary increases in consumer prices, decreases in gasoline mileage and increases in dependence on imported oil.

I also understand your concern about the potential problems that a delay in action on Clean Air Act Amendments would have on the automobile manufacturers and others who are regulated by the Act. We must work together toward final action on legislation so as to avoid the need for changes in design or production that result in higher consumer costs or in production delays that result in unemployment.

I would like to suggest for your consideration an approach that should minimize and possibly avoid delay in completing action on amendments. My suggestion is that you consider (1) proceeding on your original schedule for Committee and full Senate action on all necessary amendments, except those dealing with automobile emissions; (2) scheduling hearings, limited only to the issue of auto emissions, for the earliest practicable dates to hear Administration, public and private witnesses; and (3) handling auto emission standards in a separate bill, perhaps on an expedited basis, because of the special importance of early, final action on these standards.

Please be assured that members of my Administration and I are prepared to cooperate fully to assure prompt action and to ~~work with you in~~ finding the best possible balance among the important objectives that are affected by the decision on auto emission standards.

Sincerely,

[illegible] clear

Both we - not Adm staff - not down in step by step what can we work out

Honestly fear the reason must be served by President's proposal.

Can be done but this part of act.

THE WHITE HOUSE

WASHINGTON

August 1, 1975

MEMORANDUM FOR: PHIL BUCHEN
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 - RESPONSE TO SENATORS RANDOLPH AND BAKER

May we have your comments, changes and votes on the attached draft decision paper by noon, Monday, August 4, so that it can be presented to the President when he returns. Thanks for your help.

Enclosure

cc: Paul Theis

DRAFT August 1, 1975

THE WHITE HOUSE

WASHINGTON

DECISION

MEMORANDUM FOR THE PRESIDENT

FROM: JIM CANNON

SUBJECT: Auto Emission Standards - Response to Senators Baker and Randolph Letter

The purpose of this memorandum is to propose a response to the attached July 29 letter to you and to discuss alternative approaches that you should consider before you agree to a course of action on this issue.

Background

You asked Congress to reopen hearings on the auto emission portion of the Clean Air Act and submitted a draft bill carrying out your proposal to extend 1975-76 auto emission standards through model year 1981. (See Tab A for your July 24 memo.)

Senators Baker and Randolph responded on July 29 saying, in effect, they are not enthusiastic about reopening hearings because it would mean a several month delay in reporting out the Clean Air Act. (See Tab B.)

A complicating factor to be taken into consideration in responding to this letter is that the auto emission section is only one of the features of the Clean Air Act amendment package which are likely to be objectionable to the Administration. Therefore, the response to this letter will affect your options in dealing with the whole Clean Air Act.

Your letters requesting hearings and transmitting legislation are at Tab C.

Recommendations

There are three possible ways of responding:

Alternative 1:

Concede the argument in the Senators' letter and react to the Clean Air Act when it is passed.

The argument for this option is in the expectation that the Clean Air Act, both in its industrial and auto emission features, will be so onerous in its impact on the economy that a veto is clearly indicated and can be sustained.

The danger in this option, however, is that the auto emission standards now in the Clean Air Act for 1977 involve a 3-5% gasoline mileage penalty and standards due to go into effect for 1978 models are so extreme that the auto industry could not meet them and still produce cars.

A new auto emission law would take time, probably several months, to work its way through Congress, and in the meantime, the auto industry must begin to make the design and engineering changes to meet whatever standards are to be.

Alternative 2:

Attempt to negotiate with Committee members or staff during the month of August.

Because of known views of most of the Senate Committee members and staff, it is quite unlikely that a satisfactory compromise would be reached.

Alternative 3:

Respond formally urging that hearings be held and that auto emissions be handled in a separate bill. Proposed letter at Tab D.

The principal arguments for this are (1) the approach outlined in the letter is a reasonable one for minimizing delay, and (2) if successful, it would permit more time to deal with Clean Air Act amendments on matters other than auto emissions -- which may be even more difficult to accept. Also, experience with the Committee indicates that formal communications are the most effective way of getting consideration of Administration views. It permits the Committee to share with you some blame for potential delay -- which appears to be one of their objectives.

The principal argument against it is that others affected by the amendments may object to singling out the auto industry for special attention. Also, a letter rather than informal communication will attract more attention to an Administration position that has gained little public support so far.

Recommendations and Decision

_____ Alternative #1: Do not press further for hearings; deal with the bill when it arrives.

_____ Alternative #2: Open negotations with the Committee or staff seeking acceptable standards.

_____ Alternative #3: Respond with a letter urging hearings and splitting off of auto emissions from the other Clean Air Act Amendments. (Letter at Tab D.)

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

_✓_ 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)

Model Year	HC	CO	NOX
Current Law			
1975-76	1.5	15.0	3.1
1977	1.5	15.0	2.0
1978 on	.41	3.4	.4
President's Proposal			
1977-81	1.5	15.0	3.1
House Commerce Subcommittee (Rogers)			
1977	1.5	15.0	2.0
1978-79	.9	9.0	2.0
1980 on	.41	3.4	.4
Senate Public Works Subcommittee (Muskie)			
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

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)

JUL 29 PM 1 13

HAND DELIVERED

tates Senate

ON PUBLIC WORKS
ON, D.C. 20510

9, 1975

Honorable Gerald R. Ford
The President
The White House

Dear Mr. President:

We have discussed your July 26, 1975 request for a hearing on automobile emissions with the Members of the Committee on Public Works. There is agreement that a hearing could be held if you desire it. We believe, however, that there is certain information which you should have before you.

If such a hearing is held, undoubtedly private and public groups would also desire to be heard on the information presented. We would be constrained to honor those requests. Such a situation would entail postponing further Committee consideration of other issues involved in the Clean Air Act. It had been our hope to begin Full Committee consideration of the Clean Air Act during the week of September 8 so that during that week and the following week, we could develop and report the legislation for Senate consideration.

By reason of service on the Budget Committee, Senator Muskie, Chairman of the Subcommittee, Senator Buckley, the Ranking Minority Member and Senator McClure and Senator Domenici, two important participants in the consideration of Clean Air Act Amendments, will be required to address themselves to the Second Budget Resolution which must be considered by the Congress by mid-October. If the hearings you request are held, it is a reasonable certainty that the Public Works Committee could not conclude its deliberations on the Clean Air Act until late October or early November. This delay, would, we suggest, cause severe problems for those who are regulated by the Act, including the automobile industry.

Mr. President, if you have further counsel to give us in this matter, we shall be pleased to receive it.

Truly,

Howard H. Baker, Jr.
Ranking Minority Member

Jennings Randolph
Chairman

IMMEDIATE RELEASE July 28, 1975

Office of the White House Press Secretary

THE WHITE HOUSE

TEXT OF LETTERS FROM THE PRESIDENT TO
THE CHAIRMAN, SENATE WORKS COMMITTEE
AND
THE CHAIRMAN, HOUSE INTERSTATE
AND FOREIGN COMMERCE COMMITTEE

July 26, 1975

Dear Mr. Chairman:

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 model year 1981.

I believe it 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 Administration witnesses can present the findings.

Sincerely,

GERALD R. FORD

The Honorable Jennings Randolph
Chairman
Public Works Committee
United States Senate
Washington, D.C. 20510

The Honorable Harley O. Staggers
Chairman
Interstate and Foreign
Commerce Committee
House of Representatives
Washington, D.C. 20515

# # # #

IMMEDIATE RELEASE July 28, 1975

Office of the White House Press Secretary

THE WHITE HOUSE

TEXT OF LETTERS FROM THE PRESIDENT TO THE
SPEAKER OF THE HOUSE OF REPRESENTATIVES
AND THE PRESIDENT OF THE SENATE

July 26, 1975

Dear Mr. Speaker: (Dear Mr. President:)

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

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

Sincerely,

GERALD R. FORD

# # # #

A BILL

To amend the Clean Air Act to continue 1975-76 Federal automobile emission standards through the 1981 model year to permit a balance among the important objectives of improving air quality, protecting public health and safety, and avoiding unnecessary increases in consumer costs for automobiles, decreases in gasoline mileage, and increases in the Nation's dependence on imported oil.

Be it enacted by the Senate and the House of Representatives of the United States of America in Congress assembled,

Sec. 2. The Clean Air Act, as amended, 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 July 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 July 1, 1978. 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.

X 4-2

DRAFT #1

Dear Senator Randolph(Senator Baker)

Thank you for your prompt consideration of my request that your Committee hold additional hearings on the matter of automobile emission standards[,particularly to consider the bill I have proposed to extend current Federal standards through the 1981 model year].

The review that has been completed within the executive branch considered the implications of alternative automobile emission standards for 1977 and future years on air quality, health, consumer costs, gasoline mileage and other energy goals. I believe a discussion of our findings by Administration witnesses would be an important addition to the hearings held previously by your Subcommittee on Environmental Pollution.

I understand and fully support your view that witnesses in addition to those from the Administration should be heard if you decide to hold hearings. Your decisions will have an affect on many Americans and a full public discussion of all points of view is necessary if we are to find the best possible balance among objectives for improving environmental quality, protecting public health and safety and avoiding unnecessary increases in consumer prices, decreases in gasoline mileage and increases in dependence on imported oil.

I also understand your concern about the potential problems that a delay in action on Clean Air Act Amendments would have on the automobile manufacturers and others who are regulated by the Act. We must work together toward final action on legislation so as to avoid the need for changes in design or production that result in higher consumer costs or in production delays that result in unemployment.

I would like to suggest for your consideration an approach that should minimize and possibly avoid delay in completing action on amendments. My suggestion is that you consider (1) proceeding on your original schedule for Committee and full Senate action on all necessary amendments, except those dealing with automobile emissions; (2) scheduling hearings, limited only to the issue of auto emissions, for the earliest practicable dates to hear Administration, public and private witnesses; and (3) handling auto emission standards in a separate bill, perhaps on an expedited basis, because of the special importance of early, final action on these standards.

Please be assured that members of my Administration and I are prepared to cooperate fully to assure action and to ~~work with you in~~ finding the best possible balance among the important objectives that are affected by the decision on auto emission standards.

Sincerely,