

THE WHITE HOUSE

WASHINGTON

February 24, 1973

MEMORANDUM FOR: JOHN EHRLICHMAN
GEORGE SHULTZ
ROY ASH
EARL BUTZ

FROM: → KEN COLE

SUBJECT: Guidance to Bill Ruckelshaus on Im-
plications of the Clean Air Act

Background

The Clean Air Act has a number of firebombs buried in it which can have dramatic and substantial impact on both our economy and our society. Three particular problems need to be addressed in the near-term: (1) the final request by the automobile companies for a waiver of the statutory 90% reduction in emissions of hydrocarbons and carbon monoxide by the 1975 model year. (This decision is discretionary if the Administrator of EPA can find that technology is not available. The National Academy of Science has recently published a report finding that the mass production technology is available at a cost of \$125 per car. The hearings start March 12 and a decision must be rendered by the end of April);

(2) The legislative standard for emissions of oxides of nitrogen (NOx) mandates a 90% reduction by model year 1976. But EPA has discovered that original data on the extent of the NOx pollution problem were probably faulty which will permit the Agency to seek both a relaxation of the law as to the automakers and less stringency in the "implementation plans" conforming air quality across the country;

(3) In order to reach the minimum standards within the statutory deadline (1975 or 1977), some cities would require drastic and extreme transportation controls. The most visible action taken to date has been EPA's convening of public hearings in Los Angeles to discuss an 82% decrease in gasoline usage -- a plan promulgated at court order. Public hearings on this plan begin March 5. Each

of these problems is discussed more fully in a memorandum to me from Bill Ruckelshaus (Tab A).

The Clean Air Act is up for routine review and readoption this year because the basic authority expires at the end of FY 1973. Ruckelshaus is scheduled to testify on the Act before the House Commerce Committee on Wednesday, February 28. EPA's draft testing is at Tab B. The Senate has already passed a routine extension without hearing Administration witnesses.

Agenda for Meeting, Tuesday, February 27

I. What amendments to the Clean Air Act must we have to resolve these problems?

- Possibilities:

- Reducing the 1976 NOx emission standard for automobiles
- Grant of discretion to Administrator of EPA to extend deadlines if compliance would cause unwarranted disruption (Los Angeles).
- Remedy for 1975 automotive emission dilemma (if one manufacturer makes the standard and no other does, present law would halt production of all non-complying makes).

II. What is our strategy for the automobile waiver hearings?

- Is there a reasonable relaxation of the standard which can be applied across-the-board to grant a one-year waiver?
- Will one or more company be able to meet the standard while others fail?
 - If so, how can we keep all companies in equitable competition?

III. When should we make public our substantive problem with the Clean Air Act?

- Now (hearings this week)
- After automobile waiver hearings.
- After Los Angeles public hearing.