

THE WHITE HOUSE

WASHINGTON

September 23, 1997

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Todd Stern ^{Auto} =
WW - Gral Flr.

MEMORANDUM FOR GENE SPERLING AND DAN TARULLO

FROM: Dorothy Robyn *DR*

SUBJ: Meeting with Big 3 VPs

At 11 a.m. in the Roosevelt Room, you will be meeting with VPs for Public Affairs of the Big 3 automakers: Rob Liberatore of Chrysler, George Peeples of GM, and Janet Mullins, who recently replaced Elliot Hall at Ford. The purpose of the meeting is to give the VPs an opportunity to brief us on the range of concerns that the Big 3 CEOs will raise when they meet with President and Vice President on Thurs., Oct. 2. (There is a 10:30 a.m. meeting in Gene's office to strategize about both the VPs *and* the CEO/POTUS meeting.)

The following White House staff will participate in the VPs meeting: Todd Stern, Sally Katzen, Don Gips and Shelley Fidler. Cheri Carter, Linda Lance, Peter Orszag, Malcolm Lee and I will also attend.

Gene held a similar meeting with Liberatore, Peeples and Hall in late March to prepare for a CEO/POTUS meeting that never occurred. (The CEOs first requested their meeting last fall. It has been rescheduled several times, largely to accommodate Steve Yokich, head of the UAW, who has been very ill.) The VPs raised the following issues:

1. Climate Change
2. PM/Ozone
3. Dollar/Yen and Japan/Korea Market Access
4. PNGV
5. Air Bags

The VPs' briefing slides, "U.S. Auto Industry Issues," are attached.

I anticipate that the VPs will raise the same basic issues tomorrow. *Climate change is, by far, their biggest concern. Dollar/Yen and Korean market access will be another high priority.* They may not spend much time on PM/Ozone, since that is water over the dam.

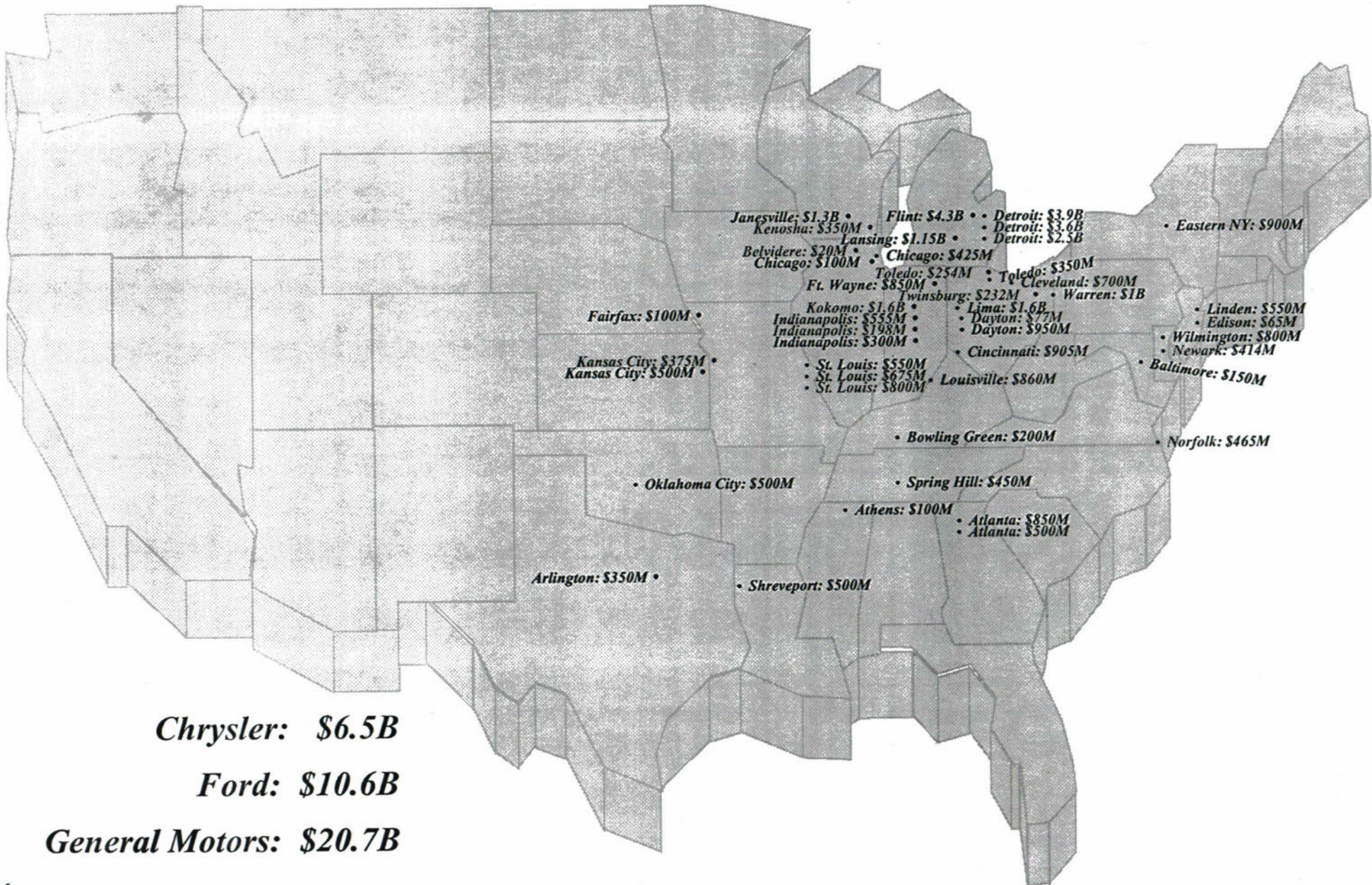
Also attached are draft briefing papers on those five issues, several of which are still being updated for the POTUS briefing book next week. Finally, I've attached an industry overview that Treasury prepared in June (it is also being updated for next week).

U.S. Auto Industry Issues

March 19, 1997

Major Manufacturing Plant Investments

(Announced or Completed During First Clinton Term)



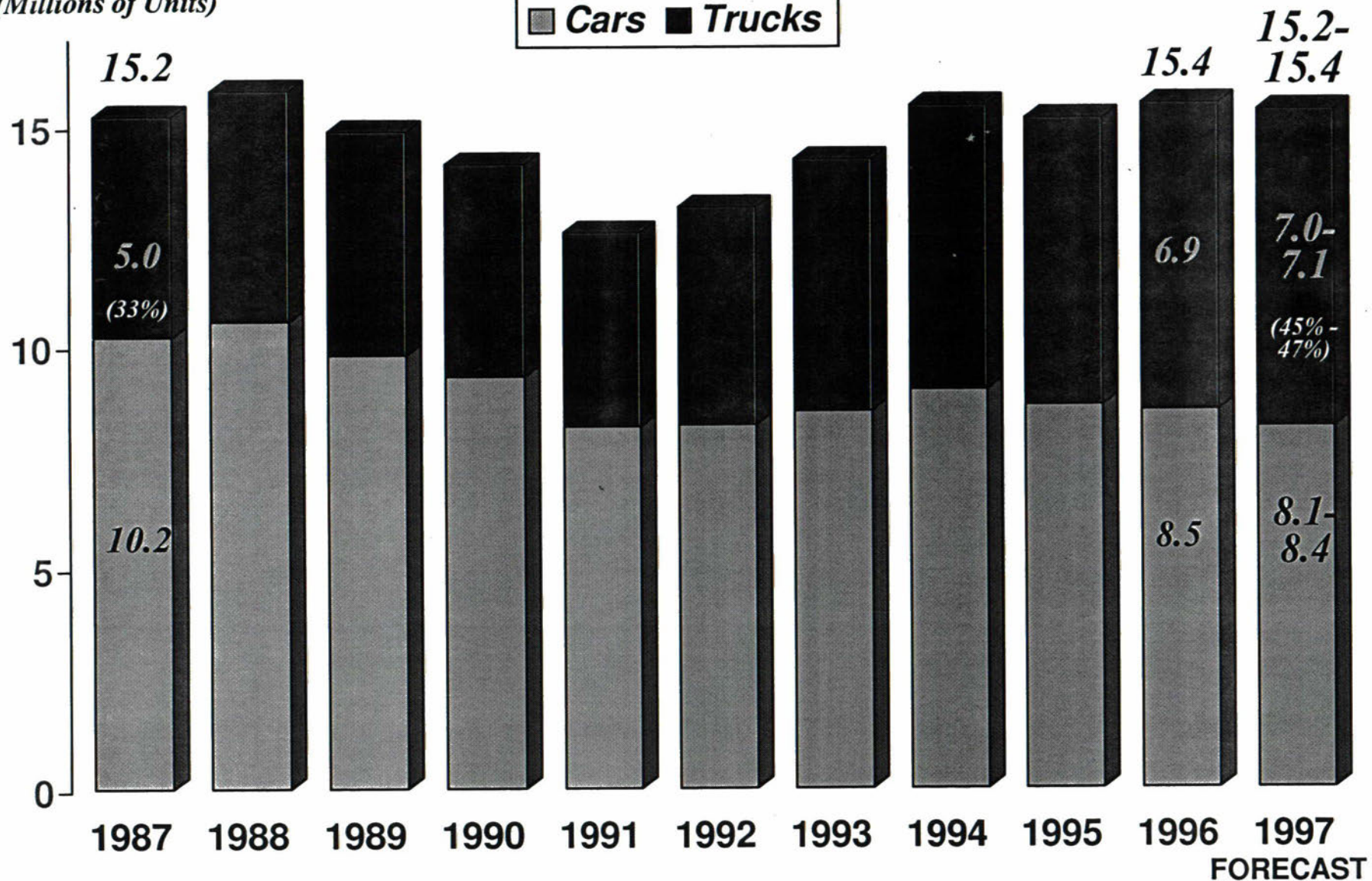
Auto Industry Will Be Major Source of New Jobs

- ✓ **A STUDY RECENTLY COMPLETED BY THE UNIVERSITY OF MICHIGAN'S OFFICE FOR THE STUDY OF AUTOMOTIVE TRANSPORTATION FOUND THAT:**
 - **242,000 AUTOWORKERS WILL RETIRE IN NEXT 10 YEARS**
 - **COULD YIELD MORE THAN 250,000 NEW HIRES -- INDUSTRY'S BIGGEST HIRING WAVE IN TWO DECADES**
- ✓ **NEW LABOR AGREEMENT -- INCENTIVE TO BRING WORK IN**

Growing Importance of Light Truck Sales

*U.S. Vehicle Sales
(Millions of Units)*

■ Cars ■ Trucks

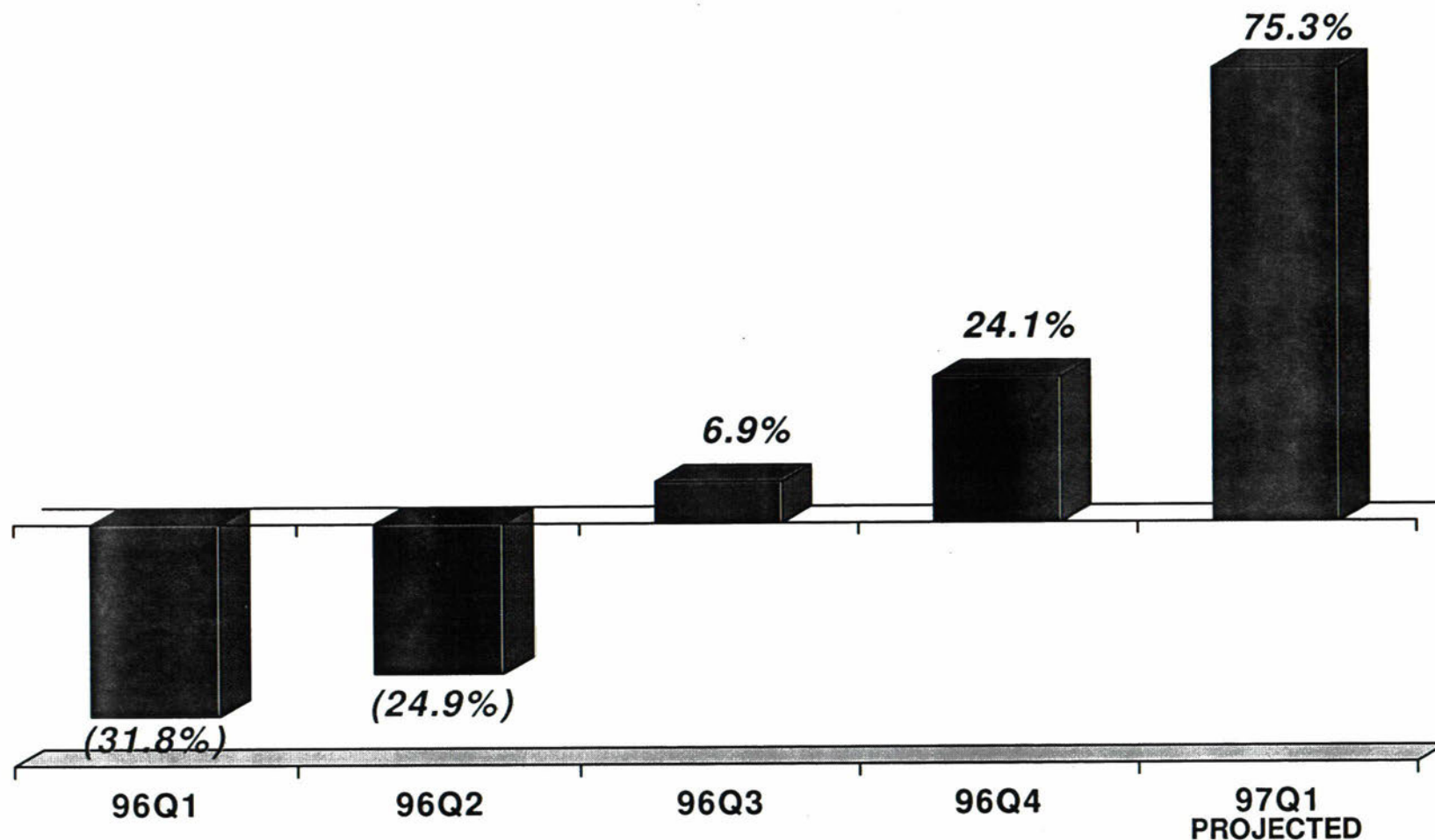


Government/Industry Initiatives

- ✓ **PNGV**
- ✓ **U.S.-JAPAN AUTOMOTIVE FRAMEWORK AGREEMENT**
- ✓ **TRANSATLANTIC BUSINESS DIALOGUE**
- ✓ **AIR BAG SAFETY COALITION**

Motor Vehicle Exports From Japan to the U.S.

(% Change: Last Five Quarters Compared to Same Quarter Year Ago)



MEMO: EXPORTS FROM JAPAN TO THE U.S.

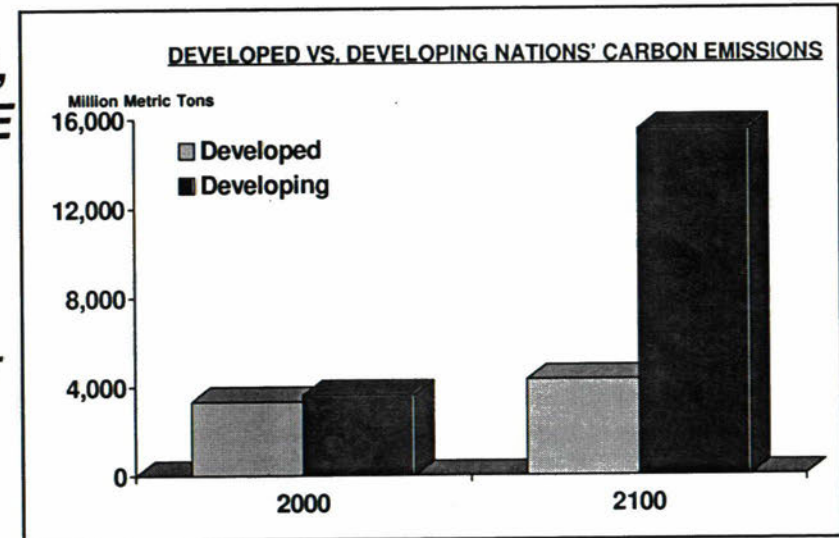
1996:	252,840	265,966	278,223	301,475	1997:	124,834 (January Only)
1995:	370,663	354,284	260,273	242,876	1996:	71,222 (January Only)
JAPANESE NAMEPLATE PASSENGER CAR MARKET SHARE						
	29.9%	28.1%	31.2%	31.4%		31.9% (First 2 Months)

Source: Japan Automobile Manufacturers Association, Inc.

Concerns About Climate Change Negotiations

✓ **DESPITE ADMINISTRATION EFFORTS, DEVELOPING NATIONS LIKELY TO BE EXCLUDED**

- **TRADE AND COMPETITIVE DISTORTIONS, JOBS OUTFLOW**
- **WITHOUT ENVIRONMENTAL BENEFIT**



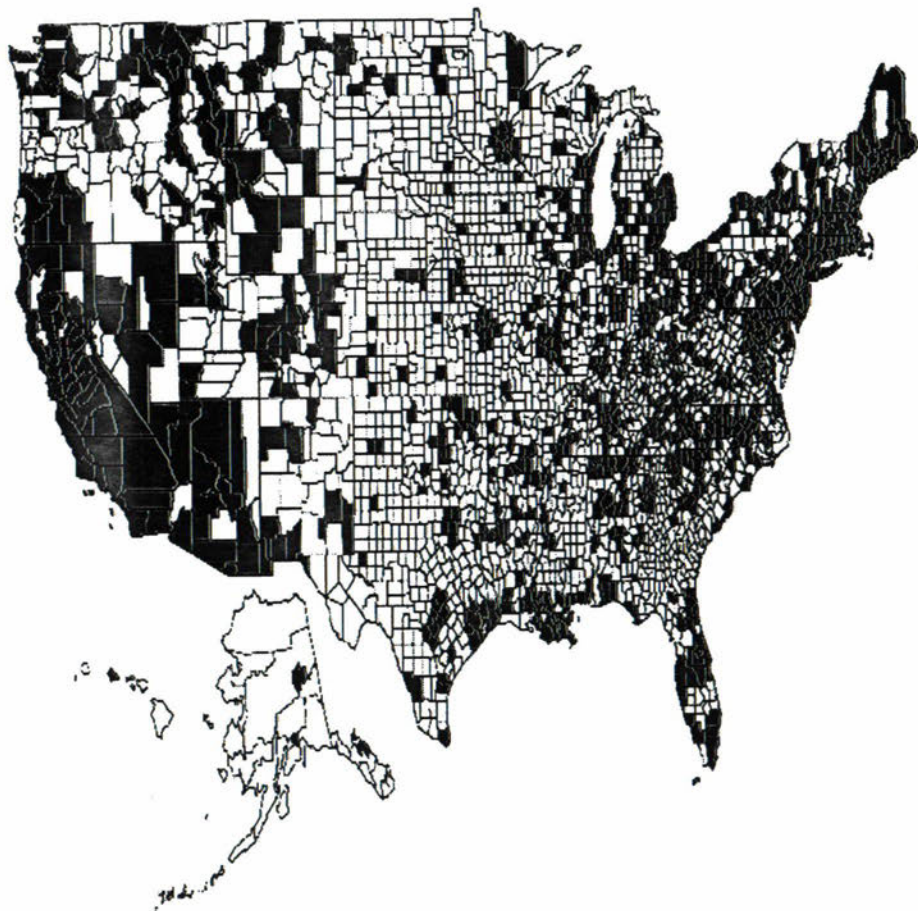
✓ **STILL A RUSH TO BINDING TARGETS AND TIMETABLES BY DECEMBER KYOTO MEETING**

- **STILL NO SPECIFICS ON IMPLEMENTATION STRATEGIES**
- **WON'T ALLOW ENOUGH TIME FOR ECONOMIC ANALYSIS, BETTER UNDERSTANDING OF CAUSE/EFFECTS/TIMING**
- **U.S. TAKES COMMITMENTS MORE SERIOUSLY THAN PARTNERS**

✓ **PROPOSALS COULD HAVE DISPROPORTIONATE IMPACTS ON U.S. ECONOMY AND JOBS**

Concerns About New NAAQS/Ozone Standards

Areas Violating PM_{2.5} 24-HR Standard and
Ozone 8-HR Standard



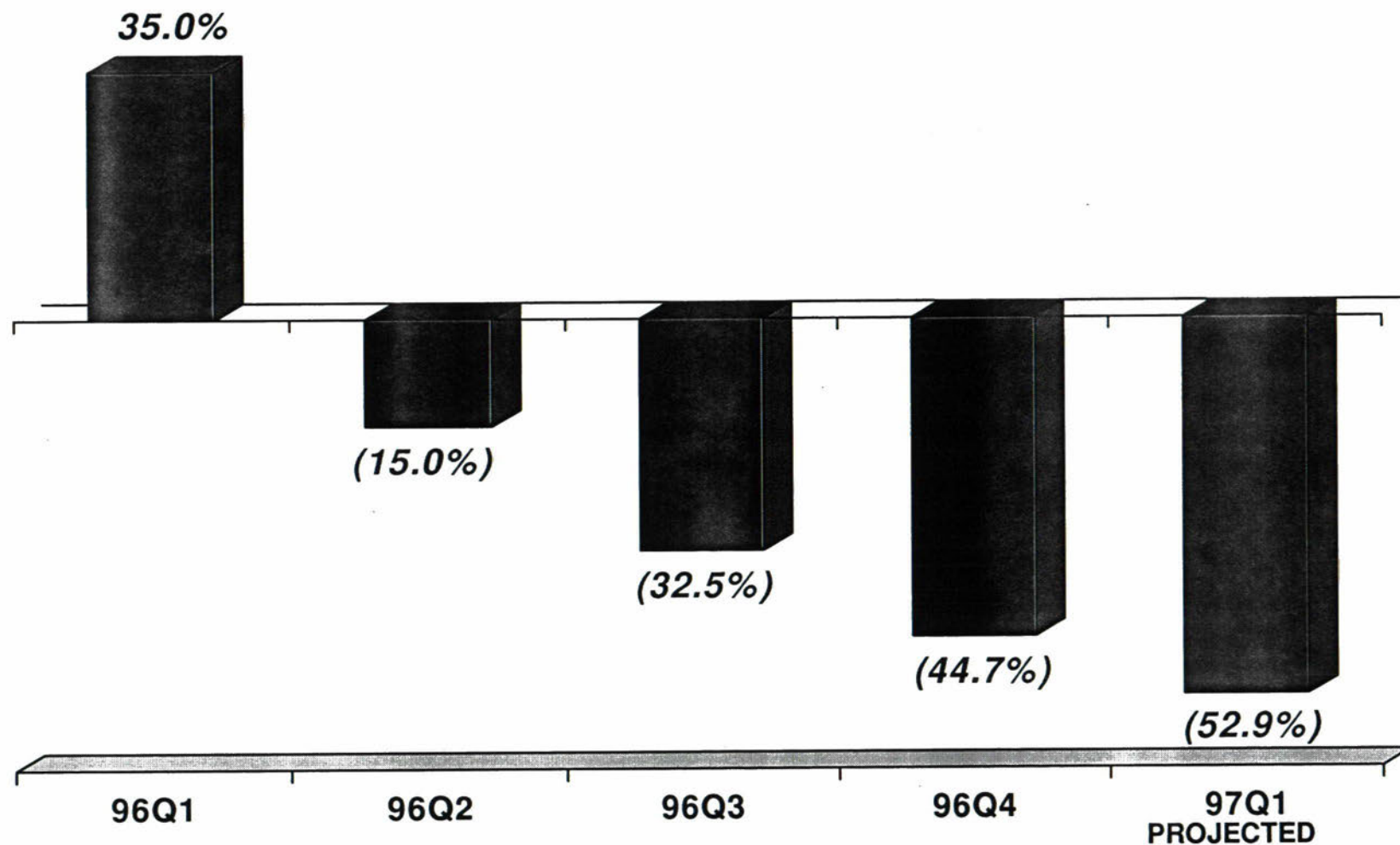
✓ **UP TO 4 TIMES AS MANY NON-ATTAINMENT AREAS -- JUST WHEN STATE IMPLEMENTATION PLANS THAT ENSURE CONTINUED PROGRESS ARE TAKING EFFECT**

✓ **IMPACT OF NEW STANDARDS:**

- **DIFFICULT/IMPOSSIBLE FOR URBAN PLANTS TO EXPAND, MODERNIZE**
- **RISK OF DISPARATE STATE VEHICLE EMISSIONS AND ALTERNATIVE FUEL REQUIREMENTS**
- **MANY PROGRAMS REJECTED PREVIOUSLY, E.G., CENTRALIZED, STATE-RUN INSPECTION/MAINTENANCE PROGRAMS, NO-DRIVE ZONES AND DAYS, MANDATORY CARPOOLING**

Japanese U.S.-Based Transplant Exports to Japan

(% Change: Last Five Quarters Compared to Same Quarter Year Ago)



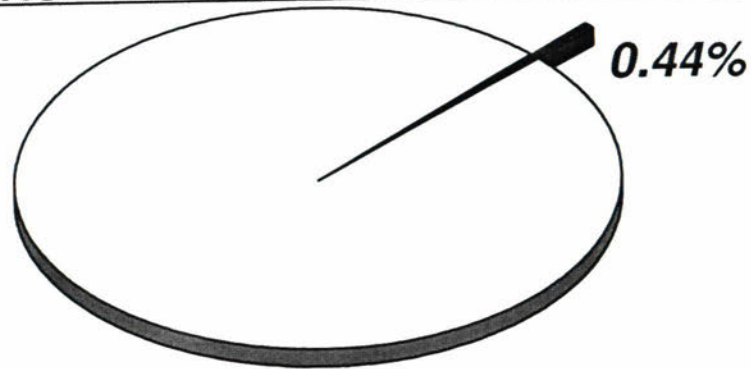
MEMO: TRANSPLANT EXPORTS TO JAPAN

1996:	24,480	15,682	15,192	14,181	1997:	6,177 (First 2 Months)
1995:	18,130	18,441	22,495	25,661	1996:	13,184 (First 2 Months)

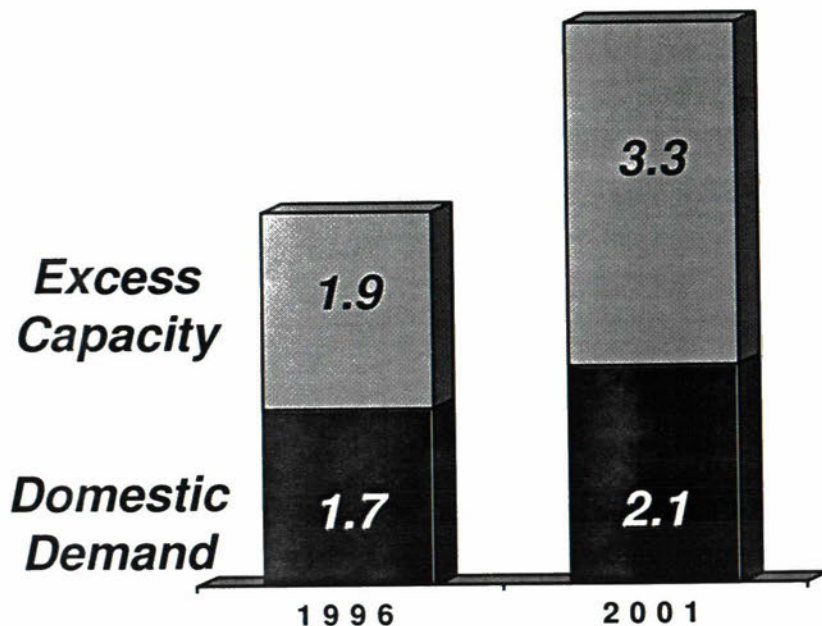
Source: Japan Automobile Importers Association

Market Access in Autos Key to Continued Growth

1996 KOREAN MARKET IMPORT SHARE



KOREAN EXCESS CAPACITY (Millions of Units)



MARKET ACCESS BARRIERS -- E.G., KOREA

- x KOREA HAS FOLLOWED AND "IMPROVED UPON" JAPAN'S MODEL OF CLOSING ITS MARKET WHILE BUILDING EXCESS CAPACITY**
- x LEFT UNSTOPPED, BECOMES NEW MODEL FOR OTHER DEVELOPING COUNTRIES**
- x ANTI-IMPORT CAMPAIGN PROMOTES IMPORT BIAS**
 - TAX AUDITS OFF AND ON AND OFF AGAIN FOR IMPORTED VEHICLE LESSORS**
 - BURDENSOME CERTIFICATION TESTING**
 - CUSTOMERS BEING STOPPED BY LOCAL POLICE**
 - MOU BEING VIOLATED, BUT GOVERNMENT REFUSES TO HOLD TECHNICAL TALKS**
- x CLOSED MARKET PROFITS PERMIT KOREA TO ENTER DEVELOPING MARKETS SUCH AS INDONESIA AND EASTERN EUROPE**

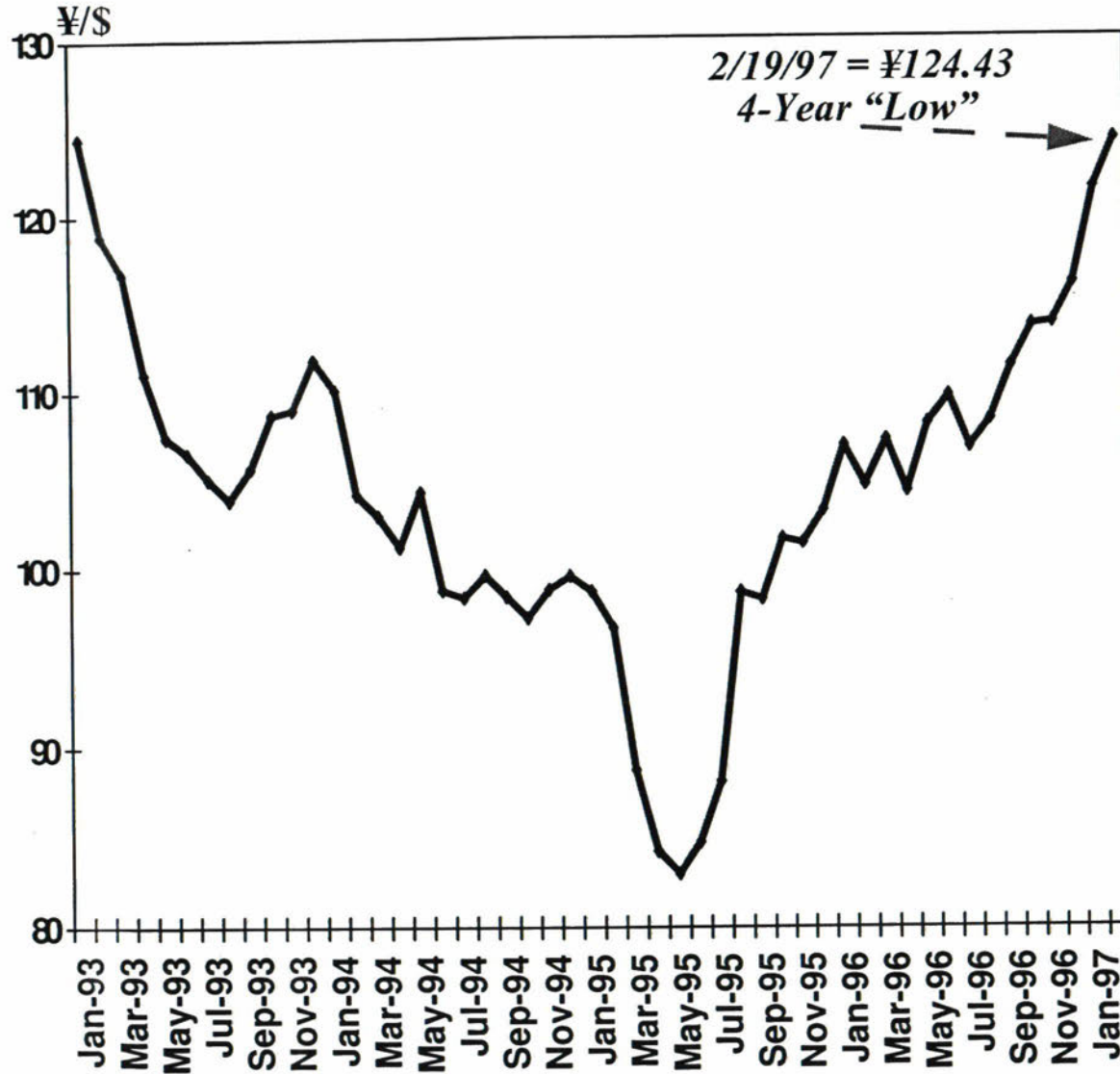
National Car Programs A Disturbing Trend

- ✓ **GROWTH IN NATIONAL CAR PROGRAMS
AND OTHER DISCRIMINATORY POLICIES
DISADVANTAGE U.S. PRODUCERS**
 - **MAKES EXPORTING IMPOSSIBLE**
 - **REQUIRES DISTORTED/FORCED INVESTMENTS TO
ENTER MARKETS (E.G., INDONESIA)**

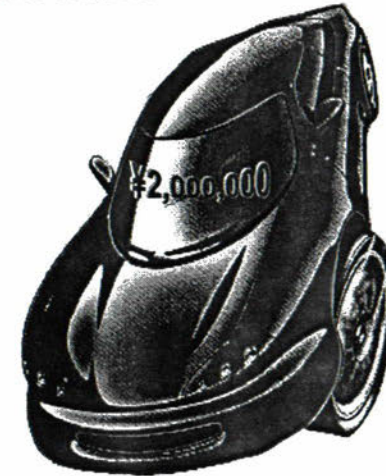
- ✓ **SUPPORT U.S. GOVERNMENT EFFORTS TO
SEEK ENFORCEMENT OF WTO TRIMS CODE**
 - **INDONESIA**
 - **OTHER SIMILAR CASES WHERE U.S. FIRMS
DISADVANTAGED BY SUCH POLICIES**

¥/\$ Relationship

1993-1997 MONTHLY ¥/\$ EXCHANGE RATES



✓ A TYPICAL VEHICLE SOLD IN JAPAN FOR 2 MILLION YEN GENERATES THE EQUIVALENT U.S. DOLLARS AT THE FOLLOWING EXCHANGE RATES:



¥80/\$	→	\$25,000
¥100/\$	→	\$20,000
¥125/\$	→	\$16,000

The Air Bag Issue

✓ AIR BAGS, USED WITH SAFETY BELTS, SAVE LIVES

- MOST FATAL INJURIES ARE TO UNRESTRAINED OR IMPROPERLY RESTRAINED OCCUPANTS
- DEPOWERING CAN REDUCE RISK OF AIR BAG-RELATED INJURIES
- ADDITIONAL ADVANCED SYSTEMS BEING DEVELOPED
- KEY IS PROPER USE OF SAFETY BELTS

✓ “ON DEMAND” DEACTIVATION WORKS AGAINST SAFETY

- FEW CASES WHERE DISCONNECTING WOULD IMPROVE SAFETY
- MANY MORE WOULD DISCONNECT BECAUSE OF MISINFORMATION
- DEACTIVATION ONLY WHEN NEED CLEARLY DEMONSTRATED

RECENT EFFECTIVENESS STUDIES

Increase/(Decrease)
in Effectiveness

DRIVER AIR BAGS

OVERALL	11% to 14%
UNBELTED	13% to 19%
>70 YEARS OLD	1.5%

PASSENGER AIR BAGS

OVERALL	11% to 12%
CHILDREN	(21)% to (131)%
>65 YEARS OLD	4%

Climate Change

September 19, 1997

Background: An international scientific consensus has emerged that human activities have had a "discernible impact" on climate. The Administration has accepted this consensus as the basis for developing proposals for international action to stabilize, and ultimately reduce, greenhouse gas emissions (primarily carbon dioxide from fossil fuel combustion). If left unaddressed, continuing increases in greenhouse gas emissions could produce significant economic and environmental harm, although there is considerable uncertainty regarding the distribution and timing of these effects. For instance, average global temperatures could increase by 2-6.5 degrees Fahrenheit by 2100. As a result, sea levels could rise by 20 inches, weather could become more variable (e.g., more droughts, floods, and severe storms), and infectious diseases could spread.

In the 1992 Framework Convention on Climate Change, the major industrialized nations agreed to an international treaty calling for returning greenhouse gas emissions to 1990 levels by the year 2000. The Administration's Climate Change Action Plan, announced in 1993, was based largely on voluntary measures. In July 1996 the State Department announced that the 1990 goals would not be met, and that voluntary targets could not assure dependable progress toward stabilizing greenhouse gas emissions. Current estimates indicate that the U.S. (and most other industrialized nations) will miss the 1990 goal by a wide margin. Accordingly, the U.S. has proposed a new approach that involves:

- **Binding target and timetables:** Emission-reduction targets should be binding. Timetables for reaching the targets should be realistic and achievable.
- **Flexible implementation measures:** Countries will design their own policies for achieving the targets; the United States has rejected proposals for uniform international strategies for reducing emissions. Instead, the United States has suggested several ways to maximize efficiency and flexibility -- including an international emissions-trading regime among developed countries; and an opportunity for developed countries to earn credits through "joint implementation" projects (i.e., assisting developing countries in reducing their greenhouse gas emissions).
- **Developing-country obligations:** Developing countries must commit to measurable progress in limiting greenhouse gas emissions as they develop. Over time, they should "graduate" to full participation in the developed-country framework. The Byrd Resolution, which passed the Senate 95-0 this summer, emphasized the importance of binding developing-country commitments.

Status: An NEC/CEQ-led group has been discussing options for the international negotiations to be held in Kyoto this December. Under Todd Stern's leadership, the Administration is also conducting an intense outreach effort on this issue. The President and Vice President have already met with corporate and environmental leaders to talk about climate change, and the Administration plans to continue extensive outreach activities with all affected constituents. We will hold a White House conference on October 6.

Talking Points -- Climate Change and the Big 3

- The Administration has accepted the international scientific consensus that human activities are generating measurable, climate-affecting accumulations of greenhouse gases. If no action is taken, we believe there may be severe economic and environmental consequences. We reject the notion that increased concentrations of greenhouse gases are not a significant problem.
- Accordingly, the evidence points to the prudence of selecting policies that can act as a "global climate insurance policy". There is no dispute over whether such an insurance policy is needed, only disputes over the appropriate size of the policy.
- The Administration believes that a purely voluntary approach to reducing greenhouse gas emissions has been tried, and it failed.
- We are committed, however, to avoiding the economic consequences of acting precipitously. For that reason, we want to design a flexible, long-term approach, which provides plenty of opportunity for reassessment and non-disruptive economic adjustment. We realize that any long-term effort to reduce greenhouse gas emissions will require that substantial amounts of new technology be developed and diffused. The PNGV effort is a good example of how we can work together to ensure that a cleaner environment is consistent with continued economic growth.
- Targets and timetables have not been proposed, but when they are, they will be realistic and achievable.
- We will not support policies that put U.S. industries at a competitive disadvantage.
- We will demand that developing countries carry their fair share of the burden of reducing worldwide emissions.
- We are committing to working with industry to:
 - design cost-effective approaches;
 - address competitiveness issues;
 - identify, develop, and diffuse promising new emissions-reducing technologies and policies.
- We want substantive consultation and interaction with industry, and look forward to continue working with you on this critical issue.



Henry C. Kelly
09/19/97 11:00:05 AM

Record Type: Record

To: Linda Lance/CEQ/EOP, Dorothy Robyn/OPD/EOP

cc:

Subject: OK someone had to start so here it is.

We should probably meet to discuss how to proceed but Linda should whack away first. I'd suggest that we attach at least one of Charlie Grey's graphics on the impact of different assumptions about fuel economy improvements on overall fuel use or greenhouse gas production.

Partnership for a New Generation of Vehicles (PNGV) June 25, 1997

The Basics

PNGV was launched by you, the Vice President, and the CEOs of Ford, GM, and Chrysler on September 29, 1993. The most visible goal of the project is to develop, in ten years, a production prototype of a car that is affordable, attractive to US buyers because of its performance, capable of meeting or exceeding all applicable safety and environmental requirements, and achieve up to three times the fuel economy of comparable US cars.

The project also has two other goals (i) reducing manufacturing costs and development times for all car and truck production and (ii) getting fuel saving technologies on the road as soon as possible.

There is serious concern that the industry has not delivered on its commitment to move PNGV technology to vehicles on the road in ways that increase fuel economy before the 2004 target date – an explicit objective of the program. The industry argues that there is no market for efficiency and in fact has used the new technology to improve power and weight of cars and trucks without huge losses in fuel economy. The average fuel economy of new light duty vehicles has actually been declining since 1986 as sales of sport-utility vehicles, mini-vans, and other low-mileage vehicles have skyrocketed. The credibility of the entire PNGV program may be threatened unless there is some indication that the technology has been used to increase real fuel economy on the road. We suggest a way for you to raise this issue in the attached talking points.

Environmental Issues

The PNGV program is critical meeting US climate change goals both because autos and trucks are large producers of greenhouse gases and because the partnership sets a precedent for cooperative research we hope to expand in other areas. Miles driven are increasing by 3% a year and there has been no improvement in the fuel economy of new cars for nearly a decade. Greenhouse emissions from transportation are expected to increase by a third during the next

20 years. Efforts to control fuel consumption through fuel taxes or efficiency standards meet massive resistance. For all practical purposes, the PNGV is our only significant program for reducing emissions in highway vehicles – vehicles which contribute about 20% of US greenhouse gases.

7. [Recent administrations involving particulates] have created new difficulties for the PNGV program since diesel engines may be the most attractive engine for the first generation PNGV. Conventional diesels using diesel fuel produce far more particulates than gasoline engines. It's possible that use of a new fuel or advances in engine designs could solve the problem but this is a new challenge and the industry is accusing us of changing the rules midway through the project. The agreement, in fact, explicitly states that the PNGV would need to meet all prevailing emissions and safety standards and the government could not commit to stop all new rulings during the ten-year duration of the program.

Status and Funding

Now entering its fifth year, the PNGV program remains on schedule. A critical PNGV management meeting involving the VPs of research of the big three and senior administration officials is scheduled for October 1, the day before your meeting with the CEOs. This meeting will ratify decisions to choose between competing technologies for the PNGV and attempt to select the package of technologies the auto-makers will use in their "concept cars" due before the year 2000. Early indications suggest that the auto-makers will urge selection of relatively conservative designs – designs which will fall far short of the 80mpg goal of the program. We will be urging them to use these conservative designs for a vehicle which could be manufactured and sold shortly after 2000, and in parallel develop a more technically ambitious concept car which could meet the PNGV goal in 2004. We will argue that they need some vehicle in the market simply to match the PNGV-like vehicles that Toyota and Dimler-Benz plan to offer for sale later this year.

This will be a difficult discussion. First, the technology is reaching a stage where the industry is beginning to consider real vehicle designs and they are therefore less eager to share information. Second, they are reluctant to make any statements about potential costs and continue to maintain that they can't guarantee that any of the technologies can be manufactured at anything close to an acceptable price. They argue that Toyota and Dimler will be selling their high-mileage cars at huge losses.

The FY98 budget request for the program is \$281 million of which about two thirds is in the Department of Energy -- a 7% increase from FY97. The partnership involves 7 federal agencies, 20 federal laboratories and over 350 business and universities. The budget has been treated relatively well on the hill because strong auto industry support has resulted in broad bipartisan support. Industry funding has roughly matched federal funding.

Criticism

There have been allegations that PNGV contains a hidden government commitment not to impose any new regulations on the industry during the period of the agreement. In fact the Vice President personally told the CEOs that the agreement was entirely a research agreement. The government could not compromise its obligations in the environment, public safety, or other areas. This was understood and accepted. The research agreement has survived many regulatory debates where we've agreed to disagree. This concern is inflamed by the

continuing failure of the industry to market energy efficient vehicles.

Critics have recently suggested that the funding may be too low to meet the goal.

Talking Points

- We are very pleased with the PNGV program both because of its technical achievements and the success we've had in making an industry government research partnership work.
- We appreciated your support for the program in the difficult budget negotiations on the hill. The administration strongly supports the program and expects to ask for increased funding for the program to support the research plan that has been developed by the partnership. We very much want this program to work.
- We are concerned that the credibility of the program may be threatened by two things (i) failure to show any action on the goal of the program which calls for moving cost-effective technology to market in ways that lead to real increases in efficiency on the road, and (ii) the perception that Japanese and European manufacturers are putting PNGV-like vehicles on the market while the US government continues to fund a research program.
- We completely understand the difficulty you face in marketing energy efficient vehicles and understand that you think the foreign PNGV-competitors are not serious, cost-effective vehicles. But we still have a problem.
- We'd like your thoughts about what can be done and what we might do to assure you that no one could take advantage of a voluntary step.
- Some possibilities might include :
 1. working together on a public service advertising campaign urging people to consider the fuel economy of vehicles they purchase whatever class of vehicle they prefer
 2. an offer to voluntarily increase fuel economy by a small percentage each year. Even a modest improvement each year would go a long way towards stabilizing fuel consumption and greenhouse gas emissions.
- an offer to put a highly efficient vehicle on the market several years ahead of the 2004 target date for the PNGV production prototype vehicle.

June '97
OIRA is updating

MEMORANDUM FOR THE PRESIDENT

FROM: Sally Katzen

SUBJECT: Briefing Materials for Meeting with Big Three CEOs re DOT/NHTSA
Proposed and Final Air Bag Rules

In your meeting with the CEOs of the Big Three auto makers, the issue of auto safety may come up; if it does, the top item on their agenda is air bags, and in particular, what has been much in the news lately -- DOT's proposal to allow deactivation of air bags. DOT has rethought its approach and in any event, we do not want to dwell on what is essentially an interim, stop gap measure that is being fueled primarily by misinformation in the media.

Background

As you recall, in a December 1996 radio address you announced a comprehensive program of five DOT regulatory initiatives to make airbags more effective. Short term solutions included final rules requiring prominent air bag warning labels on all new vehicles and allowing, but not requiring, auto companies to install air bags that will deploy with 20-35 percent less force than current models. The long term, and best, solution is the development of "smart" airbags, which would vary the deployment of bags based on the force of the crash as well as the height, weight, and position of the occupants. Each of these initiatives has been well-received.

One of the other short term solutions that was announced as a proposal -- air bag deactivation -- has generated a lot of debate and criticism. Initially, DOT wanted to propose allowing the installation of air bag on-off switches, but because the auto companies said they could not quickly develop this technology, DOT ultimately proposed allowing owners to permanently deactivate their air bags (literally to have a qualified mechanic snip the wires). With the adverse publicity generated by the deactivation proposal, the auto companies came back saying that in fact they could have the on-off switch technology available in short order. As a result, DOT has reversed its position and is about to send OMB a draft final rule that would allow owners to install on-off switches. [We would not expect to go public with this revision until the end of July at the earliest.]

Deactivation/On-Off Switch Issues:

There are two aspects of this rule that the auto companies may raise with you:

- DOT is allowing owners to obtain on-off switches with informed consent -- owners must read and sign a detailed information sheet before a qualified mechanic can install the switches -- rather than having DOT itself approve applications for the switches. The auto companies, who very much want to limit their liability, would prefer that DOT be the gatekeeper. But given DOT resources, this would be unworkable.
- Providing this type of short term, interim relief is not on-message for us: we want to promote effective air bags, not turn them off. The on-off switch -- like warning labels and depowering -- is simply an interim step designed to protect a limited at-risk population (mainly short statured and frail adults and children under 12) until smart air bags come on line (best estimate is 3-5 years).

Suggested Talking Point

If this issue should come up, you should change the direction of the discussion from deactivation vs. on-off switches to how we get smart air bags quickly. In other words, you should ask the auto companies for their cooperation, and commitment, in developing this technology as soon as possible.



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

*OIRA is
being updated*

ADMINISTRATOR
OFFICE OF
INFORMATION AND
REGULATORY AFFAIRS

APR - 9 1997

MEMORANDUM FOR THE VICE PRESIDENT

FROM: Sally Katzen *SK*

SUBJECT: Briefing Materials for Meeting with Big Three CEOs re EPA's Proposed Particulate Matter and Ozone Air Quality Standards

In your meeting with the CEOs of the Big Three auto makers, they may raise the issue of EPA's Particulate Matter (PM) and Ozone Air Quality Standards Rulemaking. I have provided some background information and talking points for your meeting.

Background

As you know, whenever air quality standards are set by EPA under the Clean Air Act (CAA), States that are not in attainment with those standards are required to develop State Implementation Plans (SIPs) to come into attainment. Invariably, the SIPs focus on mobile sources such as cars, trucks, and buses to achieve the necessary emissions reductions, and, as a result, there has consistently been substantial pressure on auto makers and other mobile source industries to develop technologies and make other changes to reduce emissions. It should come as no surprise, then, that the pending EPA proposal to set more stringent PM and ozone standards is of great concern to these companies.

General Motors, Ford, and Chrysler have all filed written comments on EPA's proposals during the public comment period (which ended March 12, 1997), and all three companies recently had an opportunity to meet with me, White House policy offices, EPA, and other interested agencies to provide additional input. (This meeting was part of an orchestrated outreach program that we, together with CEQ and NEC, are working on.) The auto companies have challenged the science supporting EPA's health-based standards; noted that the air quality is consistently improving and that a number of regulations implementing the 1990 CAA Amendments already in the pipeline will yield additional benefits; and argue that it is premature to change the standards before the effects of all of these developments are clear.

Talking Points

Because this is a pending rulemaking, no one will expect you to discuss the merits. Indeed, it is important that it be clear that no one has prejudged the outcome. The following talking points will allow you to stick to process and avoid delving into the substance:

- We understand, and believe, that both the ozone and the PM proposals are very important policy decisions for the Administration and of great importance to the auto companies.
- We understand that both are highly controversial, generating a great deal of interest in both the public and private sectors, and that the auto companies are actively participating in the rulemaking.
- We are determined to take seriously the public's input and have underway intensive outreach efforts to industry, State and local officials, environmental and public health groups, and other interested entities
 - senior representatives of their companies have participated in a meeting with Sally Katzen and others in the White House that was part of our outreach efforts.
- There are a number of very complicated technical issues that must be worked through.
- All of our options remain open as we evaluate the record.

If you have any questions or want additional information, please call me (395-4852).

GENERAL TALKING POINTS: FINAL AIR STANDARDS

- Following a meeting with the President, EPA Administrator Browner within the next few days will send to OMB for technical review the recommended final air quality standards for soot (particulate matter) -- which is under court order to be finalized by July 19 -- and for smog (ozone). These strong, updated public health standards would be a major step forward in protecting public health.
- An extensive review of current science over the last three-and-a-half years determined that the air quality standards of the 1970's were not right for the 1990's -- too many Americans are experiencing adverse health effects and need greater protection. These updated standards will provide those greater health protections.
- For the first time ever, a public health standard would be set for fine particles -- preventing approximately 15,000 premature deaths each year and providing new protection for 70 million Americans. The new standard controls fine particles -- measured at 2.5 micrometers in diameter -- by setting an annual limit of 15 micrograms per cubic meter, with a flexible 24-hour limit of 65 micrograms per cubic meter.
- Scientific studies show that particulate matter, or soot -- which comes largely from combustion at power plants or large incinerators -- lodges deep in lung tissue, causing premature death and serious respiratory diseases, including bronchitis.
- For the first time in 20 years, the public health standard for smog (ozone) would be updated, from .12 parts per million of ozone measured over one hour to .08 parts per million measured over eight hours -- providing new protection to 35 million Americans. It would result in 1 million fewer instances of decreased lung function in children each year.
- Under the current standard for ozone, there are large numbers of significant respiratory problems each year, including premature aging of lungs, loss of lung function, and exacerbation of asthma -- especially in children.
- EPA's recommendation reflects a revision from its proposal announced last November. It is based upon consideration of public comment and interagency and White House analysis. It provides greater flexibility on the 24 hour particulate matter standard and more stability in the .08 standard by selecting the 4th maximum exceedance.
- EPA will issue an implementation package with the new standards to help ease costs. This package is designed to give states, local governments and business the new flexibility they will need to meet protective health standards in common sense, cost-effective ways. This package provides ways for communities to avoid the stigma of non-compliance and grants them ample time to devise necessary, local pollution control strategies. EPA will also announce a schedule for a new review of science on particulate matter to be completed within five years, before an area is designated as non-attainment.
- No county would have to comply fully with the new ozone standard by achieving local pollution controls before 2007, or with the new standard for soot until 2008, with possible extensions of up to seven years for both. EPA will move forward shortly to put in place the regional pollution control strategy recommended by states to deliver cleaner air faster by addressing the transport of pollution across state lines. EPA will continue to work with states, local governments and communities to find common sense, cost effective ways to meet these standards and provide cleaner air for all Americans.