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**Record Group/Collection:** George H.W. Bush Presidential Records  
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set for a while. I mean, why has he made the decision to go ahead and veto it today? To set up a confrontation before Congress leaves?

MR. FITZWATER: No. We wanted to give as much time to act on it as possible. Hopefully, they would pass our bill.

Q Since you sent up the alternate bill on Saturday, what's the point of vetoing it? They could act on the alternate bill or they could not act on it and say --

MR. FITZWATER: Well, we've said all along we'd veto it. What do you mean?

Q Well, last week you were talking about possibly waiting the full 10 days to see what happens with the alternate bill. Why are you not giving that a chance?

MR. FITZWATER: Because we decided the best way was to send it back and give them a chance to act on a new bill.

Q Are we ready to move?

Q It's okay with me.

Q Yes.

MR. FITZWATER: All right.

Q On the Clean Air Act, the conferees seem to have reached agreement on everything except the Wise amendment. Two things: does the administration still consider that provision to be veto bait? And is the rest of the compromise other than that provision as it now stands acceptable?

MR. FITZWATER: I would say, first of all, that we're very pleased by the tentative agreement that's been reached on the Clean Air Act. On June 12, 1989, the President announced the first comprehensive amendments to the Clean Air Act in over a decade. The agreement reached last night will cut sulfur dioxide emissions by 10 million tons by the year 2000, reduce toxic emissions by over 75 to 90 percent and reduce emissions that cause urban smog.

We are pleased by the bill. We think it's a very reasonable attempt. As I said, we've been working at this for any number of years. The Wise amendment is still, as I understand it, outstanding at this point. We have opposed that and we have not signaled a veto, but we will continue to work with the conferees to try to get an acceptable provision. But overall, we think this is a very important development for the administration and the Congress and for the American people.

Q Are you saying -- when you say we have not signaled a veto, you are saying you have not signaled a veto on the Wise amendment?

MR. FITZWATER: Well, we've been opposed to the Wise amendment. I mean on the whole bill, yes.

Q If that amendment is not dropped out by the conference, is the administration prepared to veto?

MR. FITZWATER: Well, we'll have to wait and see how it comes out. We've been working against it and the conference isn't over yet in that regard, so we'll have to wait and see.

Q Is the Wise amendment the employment training, retraining, or job assistance for unemployed workers?

Q Yes.

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*Clean Air*

MORE

#265-10/22

# COMMENTARY

EJ

WARREN BROOKES

## Forthcoming Clean Air depression?

For the past two weeks, the American economy has been in a race for its very life against the insanity of Washington politics and a leadership vacuum in the White House over the two most dangerous issues, higher taxes and the Clean Air Act.

Fortunately for the nation, not to mention President Bush, Michigan Rep. John Dingell, Democratic chairman of the House Energy and Commerce Committee, has apparently decided that protecting the economy is more important than destroying Republicans. But even his "damage control" on Clean Air is much too little and far too late, as the White House has not signaled its willingness to sign an outrageously expensive bill.

Even as Mr. Bush prepared to sign off on a "deficit reduction" plan that allows \$100 billion in higher spending for fiscal 1991 in return for \$35 billion a year in higher taxes, congressional environmental extremists like Rep. Henry Waxman, California Democrat, and Sen. Dave Durenberger, Minnesota Republican, tried to send him the most costly possible Clean Air bill to embarrass him with the "greens."

White House sources admitted to this columnist last week that if the president is forced to deal with this bill before the election, he will sign it — just to protect Republican Sen. Pete Wilson, who is running for governor of California where as many as 14 Republican seats could be gained. On the other hand I was told, "If he gets it too late for the election he might veto it." Already that threat is vanishing.

The only good news is that Mr. Dingell managed to get the conference to agree to cut at least \$12 billion to \$16 billion of the costs of this madness by backing away from "bright line" standards on air toxics in both House and Senate versions.

Those standards calling for reducing the residual risks on all air toxics (189 compounds) to 1 in 1 million risk to the most exposed individuals (MEI) would have forced the closure of at least 14 major steel plants and all coking ovens and have cost up to \$40 billion, by themselves. The impact of these "bright lines" on the Michigan auto economy would have been incalculably high, with total costs of at least \$800 million to \$1.6 billion.

Instead, under Mr. Dingell's guidance, both House and Senate versions of those "bright lines" were

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killed in favor of returning to the original Environmental Protection Agency-administered "ample margin of safety" standard, changing "bright lines" into "bright bands".

Unfortunately, this essentially modest concession has apparently convinced the president to sign a bill that is still at least \$15 billion more costly than his supposed veto line of \$21 billion. (See Table).

As three Nobel economist James Buchanan, Milton Friedman and George Stigler warned Mr. Bush in a letter last week, "The Clean Air Act's unduly stringent and extremely costly provisions could seriously threaten this nation's economic expansion."

Thus, as important as Mr. Dingell's achievement on air toxics was, there are still massive economic costs in the remaining sections:

### Acid rain

The \$5 billion to \$8 billion cost per year will involve electricity rate increases of from 15 percent to 30 percent in approximately 11 Central states, with a likely lost-job impact (direct and indirect) of between 40,000 and 50,000 jobs, to achieve a 10 million ton reduction in sulfur dioxides (SO<sub>2</sub>) by 1999. That same SO<sub>2</sub> reduction could be achieved by 2010 for no job loss or rate increase.

This program might recover 75 lakes from acidity over 50 years, with an average area of 10 acres each, or 750 acres in all. Linear costs

	Money		Likely Job Losses	
	\$	Billion	Min	Max
Air Toxics	\$12.0	\$18.0	200,000	800,000
Acid Rain	5.2	8.5	40,000	60,000
Ozone Non-Attain	19.4	47.7	Not known or estimated	
Permitting & Enforcement	1.2	3.1	230,000	640,000
<b>Total</b>	<b>\$37.8</b>	<b>\$76.3</b>	<b>470,000</b>	<b>1,500,000</b>

Source: Assembled from recent industry and other estimates of the House-Senate Clean Air Conference agreements as of 10/19/90.

are more than \$300 million per acre recovered. The 50-year cost of liming these lakes (as recommended by scientists of the National Acid Precipitation Assessment Project (NAPAP)) is \$1,250 per acre. While Michigan's costs are slight, the auto industry will be severely affected.

### Ozone non-attainment

This \$19 billion to \$48 billion sec-



retirement of the heaviest ozone-contributing old cars, and because of the weakness of the link between VOCs and ozone non-attainment, especially in the Eastern half of the United States. The health benefits are estimated at from negligible to thousands of lives. Most real epidemiology suggests under 200 lives per year.

### Permitting

One of the sleepers in this bill will require at least 143,000 small businesses (up to 6,000 in Michigan) for the first time to go through federal point-source pollution-permitting processes. A study by CONSAD Economics says annual costs per small plant will be \$8,000 to \$22,000, or \$1 billion to \$3 billion per year. That's \$40 million to \$120 million to the struggling Michigan economy, alone.

In his letter to Mr. Dingell last July, White House Economic Adviser Michael Boskin admitted that

because of this bill, "productivity growth will be reduced. Growth in worker's average real income and in productivity will thus both slow. Domestic industries that are required to spend intensively on pollution controls will definitely become less competitive in world markets, and some jobs will move offshore as a consequence."

Worse, the bill will increase U.S. energy consumption of natural gas by 6 percent to 19 percent, oil by 2 percent and total electricity by 1.5 percent, all during a Middle East Crisis.

To put it bluntly, despite Mr. Dingell's best efforts, the House/Senate Clean Air bill is a wasteful, costly, assault on an economy already plunging out of favor with world investors.

The fact that the president will apparently now sign this bill even though it breaks every parameter that he originally set forth reveals an administration without direction or vision.