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

TO FRANK

April 10, 1981

File
Reg Reform

MEMORANDUM FOR THE VICE PRESIDENT AND THE DIRECTOR

FROM: Jim Miller

SUBJECT: Status Report on Regulatory Relief

Automobile Package: On Monday, April 6 the Vice President, joined by Secretary of Transportation Lewis and several other Administration officials, announced a package of aid to the U.S. auto industry which included 34 specific regulatory relief measures to be taken by EPA and NHTSA. (See Attachment 1.) Reaction to the package has generally been quite positive. (For example, see Attachment 2.)

Section 504 Handicap Legislation: Task Force and OMB staff reviewed legislation proposed by the Department of Transportation that would significantly lessen the burden on state and local governments of providing transportation for handicapped persons. We are circulating the DOT draft to Members of the Task Force Working Group and will work with DOT staff to coordinate and further refine DOT's approach.

Congressional Testimony: On Tuesday, I testified before the Senate Commerce Committee's Subcommittee on Consumer Protection regarding the Consumer Product Safety Commission's reauthorization. (See Attachment 3.) On Wednesday, Peter Petkas, who continues (at our request) to direct the Regulatory Calendar project, testified on his group's budget for FY 1981 and FY 1982. (See Attachment 4.) The appropriations subcommittee, led by Senator Garn, seemed satisfied that this staff function should continue through FY 1982.

Regulatory Action Officers: We have now received the names of regulatory action officers from all but two of the Cabinet departments. These individuals will serve as contacts with the private sector on specific issues involving their agencies, and report directly to the Task Force contacts. (See Attachment 5.)

ACTIONS TO HELP THE U.S. AUTO INDUSTRY

APRIL 6, 1981

THE WHITE HOUSE

Office of the Press Secretary

April 6, 1981

FACT SHEET

President Reagan's Program for the U.S. Automobile Industry

Promptly after taking office, President Reagan appointed a Cabinet-level Task Force to examine the problems of the U.S. auto industry. Based on the advice of the Task Force and other Presidential advisers, he has adopted a positive program to address directly the immediate problems of depressed sales, record losses, and severe unemployment. The program also addresses the industry's critical longer term needs to offer new competitive models and to reduce unit costs.

BACKGROUND ON THE AUTO INDUSTRY

The Situation is Serious

- In 1980 a stagnant and inflationary economy reduced sales of U.S.-made cars to the lowest point in 19 years. Compared with only three years earlier, total auto sales (domestic and imported) were down 20 percent, and sales of light trucks and vans were down 35 percent.

- The domestic companies incurred unprecedented losses of $4.3 billion in 1980.

- The downturn in auto sales has exacted a severe human toll. Over 180,000 auto workers are on indefinite layoff, 300,000 more are estimated to be unemployed in supplier industries, and another 100,000 are out of work in the dealer network.

The Problems are Longer Term as well as Cyclical

- Not only are sales depressed because of the stagnant economy, but the U.S. auto industry has experienced a dramatic change in its markets, induced by escalating energy prices. As gasoline increased from 70¢ per gallon in January 1979 to $1.35 per gallon in February 1981, consumer demand shifted dramatically to small cars. Partly as a result, imports increased from 18 percent to 28 percent of all auto sales during that same period.

- The auto industry is also burdened with stringent regulatory requirements which add hundreds of dollars to the cost of each vehicle and billions to the industry's capital requirements. Regulation also diverts engineering and managerial talent from the industry's adjustment problems.

The Industry Retains Tremendous Strengths

- Despite its unprecedented problems, the U.S. auto industry has tremendous economic and competitive strengths. It is now engaged in a $70-$80 billion program of new investment to modernize its plants and make its products more competitive. This program has already resulted in lower production costs and the introduction of technologically advanced, fuel-efficient, front-wheel drive models.

To address the problems and exploit the strengths of this important sector of our economy, the President has adopted a program of economic recovery, regulatory relief, and other important measures.

THE ECONOMIC RECOVERY PROGRAM

The cornerstone of the President's initiative for the auto industry is his Economic Recovery Program, including spending cuts, tax reforms, and general regulatory relief. There is simply no doubt that revitalization of the economy is the single most important remedy for the auto industry's problems.

Stimulating Sales, Profits, and Jobs

The Economic Recovery Program will provide immediate relief to the industry by stimulating the sales of new cars and trucks:

- Renewed growth in real incomes and higher employment will give consumers added income to buy new cars.

- Reduced interest rates will lower the costs of automobile financing, further enccuraging new car sales.

- The investment tax credit provided under the Accelerated Cost Recovery System will increase commercial and fleet purchases of new cars and trucks.

- A stable economic environment will renew consumer confidence and encourage individuals who have deferred purchases in recent years to buy new cars and trucks.

The sales recovery induced by the President's program will improve the industry's financial condition and restore job opportunities:

- Sales of new cars (foreign and domestic) should rise from approximately 9 million units in 1980 to 11 million units by 1982 and 12 million by 1983; truck sales should show similar growth.

- Since every 500,000 units of additional car or truck sales generate nearly $1 billion in additional net operating income, by 1983 this should amount to an additional $6 billion per year (before taxes) for U.S. auto makers.

- Increased production should permit the rehiring of most unemployed auto workers by the end of 1982.

Improving Productivity and Lowering Unit Costs

Over the longer term, the most important effect of the Economic Recovery Program will be to reduce production costs, thereby improving the industry's international competitive position:

- Higher production volumes will mean lower unit costs due to economies of scale.

- Lower inflation rates and reduced federal borrowing will lower the cost to the industry of capital necessary for plant modernization.

- Tax reductions for individual taxpayers and lower rates of inflation should also moderate pressures for costly wage settlements and contribute to a more stable environment for collective bargaining and labor relations.

REGULATORY RELIEF

President Reagan is committed to reducing the excessive burdens of regulation throughout the economy and has established a Task Force on Regulatory Relief, chaired by the Vice President, to oversee that process. The Presidential Task Force and the Executive branch regulatory agencies will give high priority to relief for the auto industry. These measures will result in considerable savings in capital costs to the industry and even greater savings to consumers.

The President recognizes the importance of protecting health, safety, and the environment. Nevertheless, some of the regulations governing the auto industry's plants and products are unnecessarily stringent, and can be relaxed or rescinded with little or no cost to worthwhile regulatory goals. Other regulations now pending may be needed over the long run, but can be safely postponed until the industry has completed its structural adaptation.

Regulatory relief will benefit the auto industry and its customers by:

- Reducing substantially the cost of producing and operating a new car or truck. This will not only benefit consumers but further stimulate sales.
- Freeing capital needed for essential investments in new plant and equipment.
- Improving U.S. manufacturers' international competitive position.

Working together, the Auto Industry Task Force, the Presidential Task Force on Regulatory Relief, and the major regulatory agencies have developed a four-part program:

(1) 34 Specific Regulatory Actions

The Acting Administrators of the Environmental Protection Agency (EPA) and the National Highway Traffic Safety Administration (NHTSA) have today submitted to the Federal Register notices of intent to rescind, revise, or repropose a total of 34 specific regulations. EPA and NHTSA estimate that over the next five years these actions would save the auto industry more than $1.3 billion in capital that can be used instead for needed plant modernization. In addition, these actions will save consumers more than $8.0 billion over the next five years. The actions are described in considerable detail in the attachment.

(2) Statutory Requirements for High Altitude Emissions

As part of the proposed amendments to the Clean Air Act, EPA will ask Congress to eliminate the requirement that all passenger cars meet 1984 emissions standards at high altitudes. This action alone would save $38 million in capital costs and $1.3 billion in consumer costs over five years.

As shown in the table below, the combined savings generated by this legislative change and by the 34 specific regulatory actions just described amount to $1.4 billion in capital costs and $9.3 billion in consumer costs, or about $150 per car or truck.

Savings from Actions to be Taken by EPA and NHTSA
($ billions over 5 years)

Agency	Capital	Consumer
EPA	$0.8	$4.3
NHTSA	0.6	5.0
Total	$1.4	$9.3

(Estimates include savings for high altitude requirements and for 27 of 34 regulatory actions; estimated savings on remaining 7 actions are not available. Source of estimates: EPA and NHTSA (industry estimates typically run much higher).)

(3) Regulations Earmarked for More Intensive Review

EPA and NHTSA have identified additional regulations on which immediate action is not possible, but which are important candidates for regulatory relief. These regulations, also listed in the attachment, will be reviewed to see whether they should be revised or rescinded.

(4) Longer Range Reforms

The President's program to reduce the regulatory burden on the auto industry will be expanded to include:

- o Regulations administered by executive agencies other than EPA and NHTSA.
- o Regulations where potential cost savings are not as immediate as the other announced actions.
- o Additional changes in the Clean Air Act and other basic regulatory statutes.

OTHER POLICY INITIATIVES

The President's program of economic recovery and regulatory relief will materially improve the condition of the U.S. auto industry, but more can--and will--be done to reinvigorate this industry:

Antitrust

- The President has asked the Attorney General to expedite consideration of the industry's request to vacate the 1969 "smog decree" as soon as a pending appeal has been concluded. The decree prohibits certain joint statements by the industry to governmental agencies concerned with auto emission and safety standards and exchanges of certain technical information on emission control devices.

- The Department of Transportation (NHTSA) will waive the prohibition on joint submissions on all of its future regulatory initiatives.

- EPA will adopt a liberal waiver policy and consider requests to make joint statements on a case-by-case basis.

- The Federal Trade Commission has on its own initiative withdrawn subpoenas for records in its long-standing investigation of the auto industry. The FTC has concluded that substantial changes in the industry have occurred since the investigation began in 1976.

Labor

- The Department of Labor is proposing to provide increased assistance to displaced auto workers by restructuring Federal programs for retraining and relocation through the existing employment and training delivery system.

Accelerated Federal Procurements

- The Administration is proposing to accelerate the Federal procurement of motor vehicles by $100 million in the current fiscal year, an action which would also reduce operating costs of the federal automobile fleet.

. . . . . .

In summary, the President's program addresses those fundamental problems of the industry fostered by the Government itself, thereby restoring needed sales, jobs, and profitability in the short term, while also encouraging the retooling, productivity improvements, and cost reductions that are critical for the industry over the longer term.

ATTACHMENT:

REGULATORY RELIEF FOR THE AUTO INDUSTRY

NOTICE OF INTENT TRANSMITTED

TO FEDERAL REGISTER ON APRIL 6, 1981

BY ACTING EPA ADMINISTRATOR

WALTER C. BARBER, JR.

ENVIRONMENTAL PROTECTION AGENCY

40 CFR Parts 50, 51, 60, 85, 86

National Primary and Secondary
Ambient Air Quality Standards

Requirements for Preparation, Adoption,
and Submittal of Implementation Plans

Standards of Performance for New
Stationary Sources

Control of Air Pollution from Motor
Vehicles and Motor Vehicle Engines

Control of Air Pollution from New
Motor Vehicles and New Motor
Vehicles Engines: Certification
and Test Procedures

AGENCY: Environmental Protection Agency.

ACTION: Notice of Intent.

Summary: This notice describes a number of actions the Environmental Protection Agency intends to implement in an effort to reduce the regulatory burden on the motor vehicle industry.

FOR FURTHER INFORMATION CONTACT:

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SUPPLEMENTAL INFORMATION:

In light of the serious financial problems facing the motor vehicle industry, the Environmental Protection Agency (EPA) has reviewed its regulations to identify administrative changes which could reduce the regulatory burden on the industry without significantly affecting air quality. The purpose of this notice is to describe the immediate and long-term actions EPA intends to take to reduce regulatory pressures on the industry.

Rulemaking or other administrative proceedings will be necessary to implement many of these actions. Where rulemaking and other actions are necessary, EPA intends to initiate them by the dates specified for items described below.

EPA estimates that these actions will result in savings to the motor vehicle industry of $817 million and a consumer cost savings of $4.3 billion over the next five years.

Following are descriptions of the actions EPA intends to take:

1. Revise the statutory HC and CO standards for heavy-duty trucks to a level that would not require catalysts.

EPA intends to revise the 1984 model-year hydrocarbon and carbon monoxide standards for heavy-duty trucks to a level that would not require the manufacturers to use catalysts on their gasoline-powered heavy trucks.

EPA will publish a notice of proposed rulemaking on this action by September 1981.

2. Relax the 10 percent Acceptable Quality Level to 40 percent for assembly-line testing of light and heavy trucks.

Exhaust emission regulations for light and heavy trucks, respectively, specify that light trucks and heavy-duty engines must not exceed a failure rate of 10 percent during assembly-line testing. 45 Fed. Reg. 63734 (September 25, 1980); 45 Fed. Reg. 4136 (January 21, 1980). This was a new requirement for heavy-duty engines and a change from the 40 percent AQL for light trucks. Automobiles are required to meet only a 40 percent AQL. EPA intends to revise its rules for both light and heavy trucks to require a 40 percent AQL, making the allowed failure rate consistent with that for automobiles.

EPA will propose these amendments by September 1981.

3. Delay assembly-line testing for heavy-duty engines.

EPA intends to delay for two years all assembly line testing (called selective enforcement audits) of 1984 and later model year heavy-duty engines for exhaust emissions. This will allow the manufacturers additional time to phase in the new transient test equipment required by the 1984 heavy-duty engine regulations.

EPA will propose this delay in the notice of proposed rulemaking for revision of the HC and CO standards for heavy-duty engines, to be published by September 1981.

4. Relax the statutory NO_x emissions limits for heavy-duty engines.

Section 202(a) of the Clean Air Act requires a 75 percent reduction in heavy-duty NO_x emissions from 1969 levels emitted from gasoline engines; however, this requirement is subject to revision by the Administrator after determining the maximum

degree of emission reduction that can reasonably be expected to be available for production.

Studies indicate that there are major technological problems for diesel-powered heavy-duty engines in meeting the statutory NO_x limit. EPA intends to propose a NO_x standard for all heavy-duty vehicles that represents the level that can be achieved by diesel engines. This standard would apply for three years.

The Agency will publish a notice this month announcing that the public hearing on this matter will be delayed at the request of the industry. Because of the industry-requested delay, EPA will not propose the heavy-duty NO_x emission standard until May 1982.

5. Institute NO_x emission averaging for light and heavy trucks.

EPA will propose to adopt an emission averaging scheme for manufacturers to meet the NO_x emission reduction requirement for light-duty trucks and heavy-duty engines. Averaging should provide manufacturers with additional flexibility without significantly increasing total emissions.

The Agency has published an advance notice of proposed rulemaking for NO_x averaging, 45 Fed. Reg. 79382 (November 28, 1980), and intends to propose an averaging scheme by May 1982, concurrent with the proposed NO_x standard for heavy-duty engines.

6. Institute emission averaging for diesel particulate emissions.

EPA will propose alternative diesel particulate averaging schemes to replace the individual-vehicle standards currently in place for 1985. Averaging should allow manufacturers to employ the most cost-effective control technology strategies for their diesel models, while assuring that total particulate levels will not significantly increase beyond those allowable under the current regulations.

EPA intends to propose alternative averaging schemes by September 1981.

7. Eliminate the 1984 high-altitude requirement.

The Clean Air Act currently requires that 1984 model-year cars meet applicable emission standards at all altitudes. Section 202(f) of the Clean Air Act. EPA will request that Congress eliminate this requirement. This change will be included as part of the Administration's coordinated effort on revisions to the Clean Air Act.

8. Adopt a self-certification program for vehicles to be sold at high altitude.

Under existing regulations, vehicles to be sold at designated high-altitude areas must undergo prescribed high-altitude certification testing. 45 Fed. Reg. 66984 (October 8, 1980). EPA intends to substitute a program under which manufacturers self-certify that their vehicles will meet applicable standards. As an alternative to certification EPA will increase its emphasis on monitoring in-use vehicles at high altitudes to verify compliance with standards.

EPA will promulgate regulations accomplishing these changes by April 15, 1981, effective for model year 1982.

9. Forgo assembly-line testing at high altitudes.

Assembly-line testing for compliance with high-altitude emission standards currently requires testing under high-altitude conditions. 45 Fed. Reg. 66984 (October 8, 1980). Accordingly, to perform selective enforcement audit tests, manufacturers would be required either to construct test facilities in high-altitude areas or to contract with high-altitude commercial test facilities with limited capacity. EPA has decided not to direct manufacturers to perform assembly-line testing for high-altitude standards. Manufacturers will thus be able to avoid the costs associated with such tests, including the costs of shipping vehicles to high-altitude test facilities.

EPA will announce this action on April 6.

10. Initiate consolidated NO_x waiver proceedings for light-duty diesel-powered vehicles.

EPA will initiate consolidated proceedings to waive the statutory NO_x standard from 1.0 to 1.5 gpm (to the maximum extent permitted by law) for all diesel-powered light-duty vehicles through the 1984 model year. This will provide manufacturers of vehicles qualifying for waivers additional flexibility to meet particulate standards, because more stringent NO_x control often increases particulate levels.

A notice has been sent to the Federal Register for publication announcing the date by which applications must be submitted for consideration in the consolidated proceedings and the date of the hearing on the applications.

11. Initiate consolidated CO waiver proceedings for light-duty vehicles.

EPA will initiate consolidated proceedings to waive the statutory CO standard from 3.4 to 7.0 gpm (to the maximum extent permitted by law) for classes of 1982 model-year light-duty vehicles not previously produced to meet the 3.4 gpm standard.

A notice has been sent to the Federal Register for publication announcing the date by which applications must be submitted for consideration in the consolidated proceedings and the date of the hearings on the applications.

12. Adopt equivalent non-methane hydrocarbon standards as an option for all vehicles.

Current emission standards for hydrocarbons limit total hydrocarbon emissions including methane, a non-reactive hydrocarbon. Methane does not react with other pollutants to form smog. State-of-the-art measurement technology permits separate measurement of the non-methane component of hydrocarbon emissions. EPA intends to develop non-methane hydrocarbon standards equivalent to current total hydrocarbon standards as an option for all vehicles.

EPA will propose a rule establishing equivalent non-methane hydrocarbon standards by November 1, 1981.

13. Do not require use of onboard technology for the control of hydrocarbon emissions resulting from the fueling of motor vehicles.

EPA is charged with determining the feasibility and desirability of requiring motor vehicles to be equipped to control hydrocarbon emissions during motor vehicle fueling. Section 202(a)(6) of the Clean Air Act. EPA has decided not to require motor vehicles to be equipped with this technology.

The Agency's findings will be published in the Federal Register in June 1981.

14. Further streamline the motor vehicle certification program.

EPA will make changes in the administrative process by which motor vehicles and motor vehicle engines are certified for compliance with applicable exhaust emission standards. 40 C.F.R. Part 86, Subpart A. This effort will focus on reducing paperwork and increasing industry flexibility but will include steps to assure that in-use compliance will not suffer.

EPA will promulgate regulations effecting these changes in the certification program by October 1, 1981, effective for the 1983 model year.

15. Relax test vehicle exemption requirements.

Manufacturers desiring to operate uncertified prototype vehicles under bona fide test programs must first receive temporary exemptions from certification requirements. 40 C.F.R. Part 85. EPA intends to review and revise existing exemption requirements to reduce administrative burdens presently associated with this program.

The Agency will propose amendments to the applicable regulations by May 30, 1981.

16. Reduce the annual number of assembly line test orders.

EPA will reduce the number of selective enforcement audit (i.e., assembly line) test orders to the maximum degree consistent with maintaining approximately the current level of compliance. EPA has already implemented a schedule reducing the number of test orders by 22 percent for model year 1981, and 25 percent for model year 1982, assuming no significant increase in industry noncompliance with exhaust emissions standards.

17. Explore deferring standards for paint shops.

EPA will discuss with the states changes in their State Implementation Plans (SIPs) which, subject to their willingness to submit revisions of plans, would have the effect of not requiring electrostatic deposition of undercoat in the next two years. Additionally, SIP requirements in those states which now require electrostatic high transfer efficiency in topcoat application would be deferred until 1984.

EPA is also reviewing the recently-promulgated new source performance standard (NSPS) for auto body painting to consider the effects of increased use of clear coat.

EPA will discuss changes in SIPs with the states by May 1981, with timing of subsequent changes dependent on the states. EPA plans to complete its review of the NSPS for auto body painting by July 1981.

18. Provide sufficient leadtime for compliance with emission regulations.

EPA will assure, in future rulemakings, that there is sufficient leadtime for compliance with automobile emission regulations, as measured from the date of promulgation of regulations.

April 6, 1981 — s/s

Date

Walter C. Barber, Jr.
Acting Administrator

FACT SHEETS ON

INDIVIDUAL EPA ACTIONS

EPA ACTION #1: EPA will propose to revise the 1984 model year HC and CO standards to a level that would not require the manufacturers to use catalysts on their gasoline-powered heavy trucks.

DISCUSSION:

The regulations that have been adopted for the 1984 model year require emission reductions of 90 percent for HC and CO emissions. A new test procedure that measures emission in a "transient" mode (i.e., constantly changing speed) has also been adopted. This procedure is more appropriate for measuring emissions as the service experienced by vehicles in use is transient in nature, instead of long periods of use at constant speeds. A full-time useful-life, which means that vehicles must meet emission standards for their full useful lives rather than for a shorter period (as is the case for passenger cars), was adopted in this rulemaking.

Relaxation of the standards would allow substantial cost savings. Emissions from this class of vehicles would still be reduced significantly even with the relaxation of standards.

BENEFITS:

EPA estimates that this change will result in a $108 million cost savings to the industry, with cost savings to consumers of about $536 million over a five year period. Based on industry estimates, this change would save $110 million in industry costs; $900 per-engine cost savings to the consumer according to General Motors and $370 per-engine according to International Harvester.

IMPLEMENTATION:

EPA will publish a notice of proposed rulemaking by September 1981.

EPA ACTION #2: Relax the 10 percent Acceptable Quality Level (AQL) to 40 percent for assembly line testing of light trucks and heavy-duty engines.

DISCUSSION:

Exhaust emission regulations that take effect in the 1984 model year specify that light trucks and heavy-duty engines must not exceed a failure rate of 10 percent during assembly-line testing. This is more stringent than the 40 percent failure rate that is allowed for passenger cars. Experience with the passenger car program shows that manufacturers are actually producing vehicles with approximately a 20 percent failure rate. While it is unclear at this point to what degree this same benefit would occur for light trucks and heavy-duty engines, the Agency believes that it would be prudent to give the industry the opportunity to demonstrate its commitment to meet the emission standards before assessing whether a 10 percent AQL is indeed necessary.

BENEFITS:

EPA estimates that relaxation of this requirement will save the industry $19 million in capital costs over a five year period. Savings to consumers over the same period should amount to about $129 million.

IMPLEMENTATION:

EPA will publish a notice of proposed rulemaking by September 1981.

EPA ACTION #3: EPA will delay the implementation of the Selective Enforcement Auditing (SEA) program for heavy-duty engines for two years.

DISCUSSION:

Another component of the 1984 heavy truck regulations is the adoption of an assembly-line testing program for heavy-duty engines. In this program, production engines will be tested to assure that engines produced on the assembly line meet the emission standards they were designed to meet. The action taken here would delay implementation of this program for two years to reduce the burden on the manufacturers of acquiring new test facilities to perform the transient test. Manufacturers will be able to spread the costs of the new equipment over a longer period by purchasing the equipment needed for certification testing first and the equipment needed for SEA testing at a later date.

BENEFITS:

EPA estimates that this delay will defer $57 million from industry's capital needs during 1980-85. Savings to consumers over the same period should amount to $64 million. Chrysler has said that such a change would save it $3 million; General Motors estimates it would save $44 million; and International Harvester estimates it would save $22 million.

IMPLEMENTATION:

A notice of proposed rulemaking will be published by September 1981.

EPA ACTION #4: Affirm EPA's intention to relax the statutory NO_x emission limits for heavy-duty engines for three years to the level which can be achieved by diesel engines.

DISCUSSION:

In developing regulations to implement the 75 percent reduction in NO_x emissions for heavy-duty vehicles mandated by the Act, EPA realized that diesel engines would have difficulty meeting such a requirement. EPA, therefore, published an advance notice of proposed rulemaking (ANPRM) early this year seeking more data regarding the appropriate level of a standard that could be achieved by diesel engines. A 75 percent reduction translates into 1.7 grams per brake horsepower-hour (g/bhp-hr). EPA projects that a standard achievable by diesels would be no lower than 4.0 g/bhp-hr. EPA asked for comments on such a standard and alternatives to it in its ANPRM.

BENEFITS:

EPA estimates that this action would save the industry about $150 million in capital costs, with savings to the consumer amounting to $563 million over a five year period.

IMPLEMENTATION:

A Federal Register notice announcing a delay of the public hearing at the request of the industry will be published this month. Because of the delay, EPA will not be able to propose the heavy-duty NO_x emission standard until May 1982.

EPA ACTION #5: EPA will propose to adopt an emission averaging scheme for manufacturers to meet the NO_x emission requirement for light and heavy trucks.

DISCUSSION:

EPA has been investigating the possibility of allowing manufacturers to meet the NO_x standards for trucks "on the average," rather than requiring each vehicle to meet a specific standard. This should give manufacturers more flexibility in designing control systems for the wide range of models that are produced.

BENEFITS:

No estimates of cost savings are available at this time. However, EPA predicts manufacturers would be able to meet the NO_x standards at a lower cost if an averaging scheme were adopted.

IMPLEMENTATION:

The Agency has published an advance notice of proposed rulemaking for NO_x averaging (45 FR 79382, November 28, 1980) and intends to propose an averaging scheme by May 1982, in conjunction with the NO_x rulemaking.

EPA ACTION #6: EPA will propose alternative diesel particulate "averaging" schemes to replace the individual vehicle standard currently in place for 1985 model year passenger cars and light trucks.

DISCUSSION:

The regulations currently in effect establish a standard of 0.6 grams per mile for 1982 model year cars and light trucks. For the 1985 model year, these are tightened to 0.2 grams per mile (gpm) for cars and 0.26 gpm for light trucks. These standards will require the use of a new technology known as a trap oxidizer. If averaging is allowed in place of the per-vehicle standard, some models should not have to use the trap oxidizer, which will save the industry money without any significant air quality risk.

BENEFIT:

EPA estimates that this approach could save industry $40 million over the 1980-85 time frame. Consumer savings from this action could amount to $523 million over a five year period.

IMPLEMENTATION:

EPA will publish a notice of proposed rulemaking in September 1981.

EPA ACTION #7: Request that Congress eliminate the requirement that passenger cars meet 1984 emission standards at all altitudes while preserving EPA's authority to require proportional standards for light and heavy trucks, as well as passenger cars.

DISCUSSION:

The Clean Air Act specifies that in 1984 passenger cars shall meet applicable emission standards regardless of the altitude at which they are sold. Since hydrocarbon (HC) and carbon monoxide (CO) emissions increase at higher altitudes due to the thinner air in these regions, cars would have to reduce emissions by a greater percentage at high altitude than at low altitude.

Regulations currently in effect for the 1982 and 1983 model years require passenger cars and light trucks sold at high altitude to meet standards that represent the same proportional reduction in emissions as those sold at low altitude. EPA will ask Congress to continue this authority for all vehicle classes for 1984 and later model years.

Although this change will be handled in concert with the Administration's Clean Air Act initiatives, it is mentioned here because of its importance to the automobile industry.

BENEFIT:

Elimination of the 1984 requirement should save the industry $38 million in capital costs over five years with savings to consumers of $1.3 billion.

IMPLEMENTATION:

The legislative recommendation will be included in the Clean Air Act proposals being developed for submission to the Congress.

EPA ACTION #8: Adopt a self-certification program for vehicles to be sold at high altitudes while continuing to monitor in-use emissions at high-altitude.

DISCUSSION:

Certification of vehicles for sale at designated high-altitude areas can be difficult for the industry because it requires additional certification effort for a very small portion of total sales. Some of the burden is due to the logistics of the certification process. Manufacturers must ship vehicles to a high-altitude area to be tested to determine compliance with high-altitude standards.

EPA intends to reduce this burden in keeping with the direction being taken in the overall certification program. Manufacturers are being given more responsibility to run their own certification programs which reduces the required resources for both EPA and the industry. EPA will allow manufacturer self-certification, rather than requiring specific testing, and will continue to monitor in-use emissions at high altitude to assure that the standards are being met.

BENEFITS:

EPA estimates that this reform will save the manufacturers $700,000. Consumers should also benefit by savings of $700,000 over the next two years as compared to the current requirement.

IMPLEMENTATION:

An interim-final rule on the self-certification program will be published by April 15, 1981, effective for 1982 and later model years.

EPA ACTION #9: Forgo assembly line testing at high altitudes.

DISCUSSION:

Manufacturers have expressed concern about the testing of production vehicles at high altitudes under the Selective Enforcement Audit program. These concerns have related mostly to the availability of testing facilities at high altitudes and the ability to secure a large enough sample of vehicles for testing at a high-altitude facility. While these concerns are not insurmountable, EPA believes that resources could be better spent in concentrating efforts on the identification and repair of nonconforming in-use vehicles.

BENEFITS:

EPA estimates that this decision will save the manufacturers $175,000 over a five year period. Most of these savings should be passed on to the consumer.

IMPLEMENTATION:

This decision is effective immediately.

EPA ACTION #10: Initiate consolidated proceedings to waive the statutory NO_x standard from 1.0 to 1.5 gpm to the maximum extent permitted by law for all light-duty diesels through the 1984 model year.

DISCUSSION:

The Act allows the Administrator to waive the statutory NO_x level for diesel vehicles to 1.5 gpm, in certain cases, after consideration of public health, air quality, and fuel economy impacts. Control of NO_x emissions to the statutory level for diesels is somewhat more difficult than controlling NO_x emissions to the same level for gasoline-powered vehicles. Waiver of the standard to 1.5 gpm for qualifying vehicles will give the industry more time to develop appropriate technology while allowing fuel-efficient diesel vehicles to be sold.

BENEFITS:

Some emission control hardware costs may be saved, but no firm estimates of savings are available. This will allow manufacturers more flexibility in meeting the particulate standard for diesels and should improve fuel economy and driveability of diesel vehicles.

IMPLEMENTATION:

A notice has been sent to the Federal Register for publication informing industry of EPA's plans to accept waiver applications for 1982-1984 model year diesel passenger cars and to conduct consolidated waiver proceedings.

EPA ACTION #11: Initiate consolidated proceedings to waive the statutory CO standard from 3.4 to 7.0 gpm to the maximum extent permitted by law for classes of 1982 model year light-duty vehicles not previously produced to meet the 3.4 gpm standard.

DISCUSSION:

The Act permits the Administrator to waive the statutory CO standard to 7.0 gpm if certain findings regarding public health, good faith efforts to meet the standards, feasibility, cost, and fuel economy have been made. Waiving the standard for qualifying classes of vehicles for one year should not have significant adverse effects on air quality and may give the industry more flexibility in calibrating vehicles for better driveability and fuel economy.

BENEFITS:

No capital costs would be saved by this action, but hardware costs, which are passed on to the consumer, would be saved. No firm estimates of savings are available, but as an example of the savings, one recent waiver saved $35 per vehicle for one manufacturer. This could amount to sizeable savings for consumers.

IMPLEMENTATION:

A notice has been sent to the Federal Register for publication informing industry of EPA's plans to accept waiver applications and to conduct consolidated waiver proceedings.

EPA ACTION #12: Adopt equivalent non-methane hydrocarbon standards as an option for all vehicles.

DISCUSSION:

HC emissions are regulated because some hydrocarbon emissions interact with other pollutants in the atmosphere to cause smog. Industry has always contended that methane, a non-reactive hydrocarbon, should not be included when measuring the level of pollutants that may be emitted. Since the equipment exists to exclude measurement of methane and since there is no debate concerning the non-reactivity of methane, EPA will seek to adopt equivalent non-methane hydrocarbon standards as an option for all vehicle classes.

BENEFITS:

Capital savings to industry are negligible. Depending on how manufacturers calibrate various models, small savings to consumers could occur.

IMPLEMENTATION:

Non-methane HC standards will be developed and a notice of proposed rulemaking will be published by November 1, 1981.

EPA ACTION #13: EPA will not require the use of onboard control technology for the control of hydrocarbon emissions resulting from refueling motor vehicles.

DISCUSSION:

The Act directs the EPA Administrator to consider the feasibility and desirability of requiring new motor vehicles to be equipped with control technology to reduce uncontrolled emissions from the refueling of motor vehicles. Also, the Administrator is to compare the costs and effectiveness of such technology to that of implementing and maintaining vapor recovery systems at retail gasoline outlets. Pursuant to these provisions, the Agency has decided not to require onboard controls to control hydrocarbon emissions during refueling.

BENEFITS:

EPA estimates that this decision will save the industry about $103 million in potential capital costs and could save consumers as much as $1.2 billion in potential price increases for automobiles.

IMPLEMENTATION:

The Administrator's findings will be published in the Federal Register in June 1981.

EPA ACTION #14: Further streamline the motor vehicle certification program. This effort should focus on reducing paperwork and increasing industry flexibility, but should include steps to assure that in-use compliance will not suffer.

DISCUSSION:

Over the past few years, EPA has taken steps to streamline the certification program, giving manufacturers more responsibility for running their own certification programs. The resource intensive program that did exist was necessary at a time when standards were first implemented and new technologies were being developed. Now that most passenger cars are meeting the statutory standards and manufacturers have become familiar with the testing program, such intense involvement by EPA is not necessary. EPA intends to continue this streamlining process and instead concentrate more on the problem of in-use emissions where more serious emission problems exist.

BENEFITS:

It is difficult to estimate the magnitude of cost savings which can be attributed to this ongoing program; however, manufacturers gain flexibility when administering their own program. This flexibility may allow industry to better allocate its resources and reduce the administrative burdens that have existed in the past.

IMPLEMENTATION:

An interim-final rulemaking to streamline the certification program will be published by October 1, 1981, effective for the 1983 model year.

EPA ACTION #15: Relax test vehicle exemption requirements to reduce administrative burdens presently associated with this program.

DISCUSSION:

EPA regulations permit manufacturers to apply for exemptions from the prohibition on the introduction into commerce of an uncertified vehicle. These exemptions are necessary as uncertified vehicles are frequently used in development and testing programs. The reporting requirements for these regulations were designed to assure EPA that these vehicles were only being used for testing purposes.

The Agency believes, based on its experience in monitoring this program, that it can achieve its objective of assuring a valid use of the exemptions without many of the administrative burdens presently associated with this program for both the manufacturers and EPA. Accordingly, EPA will relax both the reporting requirements and the requirements for qualificatons for an exemption.

BENEFITS:

This action would reduce the administrative burden on the manufacturers, but no specific estimate of savings is available.

IMPLEMENTATION:

A notice of proposed rulemaking to relax test vehicle exemption requirements will be published by May 30, 1981.

EPA ACTION #16: Reduce the annual number of Selective Enforcement Audit test orders to the maximum degree consistent with maintainng approximately the current level of compliance.

DISCUSSION:

To avoid failing an assembly-line audit, the manufacturers have voluntarily tested about 20,000 vehicles annually (as compared to 300 to 350 cars annually tested during EPA audits) to identify and remedy emission problems. This response by the industry has resulted in a declining failure rate which should be expected to continue as emission standards stabilize. Since the industry has taken the initiative, EPA can reduce its assembly line compliance efforts to a level which will still elicit the same level of compliance by the industry.

BENEFITS:

EPA estimates that this decision will save the industry $750,000. Most of these savings should be passed along to consumers.

IMPLEMENTATION:

A schedule reflecting a reduced rate of test orders has already been implemented resulting in an annual reduction of these tests of 22 percent for model year 1981 and 25 percent for model year 1982.

EPA ACTION #17: Explore deferral of standards for automobile industry paint shop operations.

DISCUSSION:

EPA will discuss with the States changes in their State Implementation Plans (SIPs) which, subject to their willingness to submit revisions of plans, would have the effect of not requiring electro-static deposition of undercoat in the next two years. Additionally, SIP requirements in those States which now require electro-static high transfer efficiency in top coat application would be deferred until 1984.

EPA is also reviewing the recently promulgated new source performance standard (NSPS) for auto body painting to consider the effects of increased use of clear coat.

BENEFITS:

Adoption of these changes would result in the deferral of approximately $300 million in capital investment over the next two to three years.

IMPLEMENTATION:

EPA will discuss with the States changes to their SIPs by May 1981. Timing of changes in the SIPs will be dependent on the States. EPA will complete review of the NSPS for auto body painting by July 1981.

EPA ACTION #18: Affirm EPA's intention to provide sufficient leadtime for compliance with emission regulations, as measured from the date of promulgation of regulations.

DISCUSSION:

In setting various emission standards, EPA must take into account the time that the industry will need to either develop the necessary control technology or to make other changes in order to meet the standards. EPA intends to provide this necessary leadtime, as measured from the date of promulgation of regulations.

BENEFITS:

This policy will reduce uncertainty for the manufacturers, but specific savings cannot be estimated.

IMPLEMENTATION:

This position will be made clear in future notices and appropriate contacts with the manufacturers. An initial opportunity will be the Federal Register notice to be published this month, announcing delay of the heavy-duty NOx and particulate hearings.

ITEMS FOR FURTHER EPA STUDY

In addition to the actions EPA has committed to take to reduce the regulatory burden on the auto industry, EPA is also performing studies and reviews that could lead to further changes in the following areas (some of which would require statutory change):

- Whether to reduce reliance on (or even phase out) certification and selective enforcement auditing, linked to adoption of a stronger program for identifyng and resolving poor in-use performance. EPA will also consider use of emission fees paid by the manufacturer as an alternative to recall for vehicle classes which do not meet in-use requirements.

- Whether to apply emissions averaging to all compliance programs.

- Whether to make administrative and legislative changes in the "design and defect" and "performance" warranties.

- Whether the 80 dB noise standard that is effective January 1, 1983, for medium and heavy trucks should be deferred beyond that date or rescinded.

- Whether to eliminate the testing requirement for meeting the heavy-duty evaporative emission standard, requiring instead that manufacturers attest to EPA that vehicles, as designed, comply with the standard.

- Whether there is a need for the passenger car CO standard of 3.4 gpm and NOx standard of 1.0 gpm. This review will allow the Administrator to make appropriate recommendations to Congress.

- Whether the 1985 particulate standard for diesel cars and light trucks is technologically feasible and whether the timing and level of the standard is appropriate.

- Whether the National Ambient Air Quality Standards should be revised. EPA's review, which is ongoing for most of the standards, will give consideration to the issue of multiple exceedances and will include peer review of the scientific and technical bases for these standards. EPA is also currently developing and refining methodologies for assessing health risks.

- Whether future additional regulation of chloroflurocarbon emissions is needed and how the automotive industry would or should be affected by such requirements.

- Whether the 1984 heavy-duty truck requirements should be further revised based on the results of manufacturers' current heavy-duty transient test programs.

- Whether heavy-duty engines and light trucks should meet standards for their full useful life or just for their half life as is the case with passenger cars.

- Whether the current requirements relating to unregulated pollutants impose unnecessary reporting burdens and should be revised.

- Whether the general pretreatment program and categorical standards adequately consider costs and environmental impacts and properly divide Federal, State, and local responsibilities. This review, which has a broader focus than just the auto industry, was announced by the Vice President as part of his regulatory review announcement last week.

NOTICE OF INTENT TRANSMITTED

TO FEDERAL REGISTER ON APRIL 6, 1981

BY ACTING NHTSA ADMINISTRATOR DIANE K. STEED

NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION, DOT

49 CFR Parts 571, 575

Federal Motor Vehicle Safety Standards

Uniform Tire Quality Grading Standards

Tire Reserve Load Consumer Information Requirements

AGENCY: National Highway Traffic Safety Administration, DOT.

ACTION: Notice of Intent.

SUMMARY: This notice describes a number of actions the National Highway Traffic Safety Administration intends to take to reduce unnecessary regulatory burdens upon the motor vehicle and related manufacturing industries.

FOR FURTHER INFORMATION CONTACT:

Mr. Michael Finkelstein
Associate Administrator for Rulemaking
National Highway Traffic Safety Administration
400-7th Street, S.W.,
Washington, D.C. 20590
Telephone: (202) 426-1810

SUPPLEMENTARY INFORMATION:

At the request of the Secretary of Transportation, the National Highway Traffic Safety Administration (NHTSA) has undertaken a review of its existing and proposed regulations to identify potential administrative changes which could reduce the regulatory burdens imposed upon the motor vehicle and related industries without jeopardizing the goals of vehicle and highway safety. The purpose of this notice is to describe the efforts which NHTSA has undertaken and the specific immediate and longer term actions by which NHTSA intends to reduce unnecessary regulatory pressures upon these industries.

This notice is not a notice of proposed rulemaking. Appropriate administrative proceedings will be separately taken to implement the actions described in this notice. In accordance with the requirements of Title 5 of the U.S. Code (the Administrative Procedures Act) and regulations of the Department of Transportation, appropriate notices of proposed rulemaking, hearings and opportunities for public comment will be provided with respect to administrative actions involving adoption or modification of NHTSA standards or regulations.

BACKGROUND

The National Traffic and Motor Vehicle Safety Act of 1966 (15 U.S.C. 1392, 1407, hereinafter "the Act") requires that the Secretary issue Federal Motor Vehicle Safety Standards (FMVSS) that meet the need for motor vehicle safety and are objective, practicable performance standards. There are currently more than 50 standards and regulations in force covering motor vehicles and equipment.

In addition, the Motor Vehicle Information and Cost Savings Act of 1966 (15 U.S.C. 1401) authorizes certain consumer-related regulations and standards of NHTSA.

Standards and regulations issued under these and other statutory authorities impose significant economic burdens upon the motor vehicle and related industries.

Many of the requirements of NHTSA standards and regulations have led directly to a substantial improvement in motor vehicle safety and have resulted in the reduction of fatalities and serious injuries. In some cases, however, such standards and requirements deal with relatively minor issues or relate only indirectly to the legislative goals of the Congress. Some standards and regulations have produced relatively insubstantial benefits, either because they represent no significant change in industry practice, or because after evaluation and review, resulting changes in performance of motor vehicles do not appear to be significantly superior to pre-regulation performance.

Finally, some standards or regulations may have been adopted which upon later evaluation, involve costs which bear no reasonable relationship to the actual benefits derived, whether or not an adverse cost/benefit relationship was foreseen or foreseeable at the time of adoption.

SCOPE OF AGENCY REVIEW

NHTSA has undertaken a comprehensive review of: (1) its existing standards and regulations, (2) those standards or regulations (or modifications thereof) which have been adopted in final form but the effective date of which has not yet been resolved, and (3) those pending proposals to adopt or modify standards or regulations which are currently subject to notices or advance notices of proposed rulemaking but which have not been adopted in final form.

In addition, NHTSA has reviewed those ongoing rulemaking efforts which have been subject to public notifications of intended rulemaking, or with respect to which specific comment or advice has been requested from the public by the Agency.

PURPOSE OF REVIEW

NHTSA has undertaken this review to determine what, if any, modifications to its standards and regulations may be appropriate to reduce regulatory burdens upon the regulated industries without jeopardizing the safety or consumer-related goals and policies established by Congress in its related legislation.

In undertaking this review, each standard, regulation or proposed rulemaking or modification was examined to determine (1) the direct or indirect relationship of the rulemaking in question to the safety or consumer goals of the Agency; (2) the relative importance of the rulemaking in achieving such goals; (3) whether the performance addressed by the rulemaking would be expected to continue at comparable levels in the absence of the rulemaking (taking into account such factors as the size and competitive characteristics of the specific regulated entities, any economic or market pressures or enforceable standards of care established by common or statutory law which might influence maintenance or deterioration of levels of performance, and whether regulated entities are subject to external pressures which would tend to insure achievement of the intended goals e.g., voluntary standards of compliance adopted by industry or professional societies); (4) the costs, benefits and burdens created or imposed by the rulemaking, (taking into account such factors as the difficulty of quantifying in economic terms the value of human life; the amount of consumer information sufficient to allow the public to make free choices in the marketplace; and the availability of specific data to support regulatory determinations); (5) the effects of the rulemaking on innovation and productivity in the industry and any associated administrative costs or burdens; and (6) whether in the absence or withdrawal of Federal regulation, the States would be able or encouraged to regulate independently, thereby making motor vehicle regulation more complex and costly.

In addition to the specific criteria enumerated above, NHTSA is taking into account the type and number of complaints or suggestions received from the industry, public interest groups or special constituencies, and private individuals. The Agency has attempted to identify overlapping, duplicate or inconsistent aspects of its standards or regulations.

Finally, NHTSA has taken into account the length of time which has passed since each standard or regulation has been internally reviewed; changing safety, economic or other factors which may have affected the need or impact of the standard or regulation; and, in this light, the relevance of the policy of the new Administration strongly to prefer the operation of market or individual consumer choices to define and achieve societal goals.

The following are brief descriptions of actions NHTSA has taken or is proposing:

1. Delay implementation of first phase of "208 Standard".

NHTSA is elsewhere publishing in the Federal Register a final rulemaking to grant a one year delay in the implementation of the first phase of Federal Motor Vehicle Safety Standard 208 relating to automatic occupant protection requirements for large cars (see Notice of Proposed Rulemaking, 46 Federal Register 12033, February 12, 1981).

2. Review requirement that manufacturers install automatic occupant restraints, e.g., air bags or automatic belt systems to protect all front seat occupants beginning in Model Year 1983.

The "208 Standard," issued in 1977, requires automatic occupant restraints to be installed in passenger cars according to the following schedule: large cars in model year 1982 (now deferred), intermediates and compacts in 1983, and small cars in 1984. NHTSA is also completing a notice of proposed rulemaking on what further action to amend standard 208 might be appropriate.

3. Modify the existing bumper standard to meet the statutory requirements that such a standard be as cost effective as possible.

By statute, NHTSA is required to promulgate a bumper standard which achieves "the maximum feasible reduction of cost to the public and to the consumer" in low speed collisions. Existing standards now require uniform bumper heights and protection from damage to the vehicle and both front and rear bumper systems at speeds up to 5 mph of impact. A major cost benefit study taking into account such things as higher fuel cost and bumper weight has at this writing concluded that rear bumper systems would not meet the statutory test of "maximum feasible reduction of cost." NHTSA will propose amendments to the bumper standard in April 1981, which will propose eliminating the rear standard completely and either eliminating or modifying the front bumper standard, as appropriate.

4. Rescind the "Fields of Direct View" requirements for passenger cars.

This rule, published on January 2, 1981, deals with design requirements for driver vision. At present, no significant safety problems have been identified in long term design plans. Moreover, automobile manufacturers' design lead-times may not permit compliance without substantial costly redesign. Any serious obstruction of the drivers' field of view could be addressed by NHTSA by use of its defect enforcement authority. Accordingly, NHTSA will initiate rulemaking on or about July 1 to rescind Federal Motor Vehicle Safety Standard No. 128.

5. Terminate rulemaking on "Fields of Direct View" for trucks, buses and multipurpose passenger vehicles (MPVs).

NHTSA will also withdraw a 1978 NPRM related to the preceding item limiting the size of obstructions in the driver's line of sight and specifying unobstructed critical viewing area for trucks, buses and MPVs. Because of the lack of an identified safety problem, NHTSA will issue a notice rescinding the 1978 NPRM on or before June 1, 1981.

6. Withdraw the ANPRM on post-1985 fuel economy standards.

The Motor Vehicle Information and Cost Savings Act required passenger cars fleet average mileage rates to meet or exceed 27.5 mpg by 1985 and authorized NHTSA to set post-1985 fuel economy standards. Because strong market demand for fuel-efficient vehicles is expected to continue, NHTSA believes the initiation of rulemaking on post-1985 fuel economy standards to be unnecessary. A notice to withdraw the ANPRM will be published on or before April 15, 1981, and NHTSA will monitor future developments.

7. Amend the regulation creating the Uniform Tire Quality Grading System.

NHTSA's current regulation requires manufacturers to test and grade tires for three characteristics: treadwear, traction, and heat resistance. NHTSA is conducting an evaluation to determine whether meaningful consumer information is provided by this complicated grading system. NHTSA will propose an advance notice of proposed rulemaking or or before June 1, 1981, seeking comment upon a

substantial simplification and revision of the tire quality grading system.

8. Amend the regulation on Safety Belt Comfort and Convenience.

The purpose of this regulation is to encourage seat belt use by requiring systems to be more comfortable and convenient. It addresses such things as shoulder belt tension, accessibility of buckles and latch plates, belt retraction and convenience hooks. NHTSA has received petitions for reconsideration from all major domestic and some foreign automobile manufacturers. After reviewing these petitions, NHTSA is unable to conclude that the detailed design and locational requirements in this regulation would increase seat belt usage. Accordingly, on or about July 1 NHTSA will propose substantive changes to eliminate all requirements except belt tension, and to defer the effective date of this regulation for one year.

9. Terminate rulemaking on safety problems associated with Multipiece Rims.

In March 1979, NHTSA issued an ANPRM regarding performance levels for multipiece tire rims to prevent explosive separations. Since that time, introduction of the problematic multipiece rims has virtually ceased and occupational hazards in service facilities for commercial tires have come under regulations of the Occupational Safety and Health Administration. Accordingly, NHTSA will issue a notice on or about July 1 that further rulemaking in this area will be terminated.

10. Rescind the Standard on Speedometers and Odometers.

This standard requires that speedometers be calibrated in both miles-per-hour (MPH) and kilometers-per-hour (KM/H) and that they display speeds of no more than 85 MPH or 140 KM/H. It also requires that odometers be tamper-resistant and indicate whether or not a car has been driven more than 100 thousand miles. Because there appear to be no direct safety benefits to be gained from the regulation and in view of the potential for significant consumer savings, NHTSA will issue an NPRM to rescind the standard.

11. Propose a one-year deferral of the effective date of the Theft Protection Standard and deletion of the key removal provisions.

This regulation extended key locking steering column requirements in existence now for passenger cars to light trucks and vans and required ignition locking systems for all vehicles that prohibited the key from being removed while the vehicle is in motion. In response to petitions for reconsideration, NHTSA will consider a delay in the effective dates for these provisions, that is September 1, 1982, for passenger cars and September 1, 1983, for light trucks and vans, and rescinding the key removal provisions.

12. Propose modifications to the recently issued Hydraulic Brake Performance Standard for light trucks, buses and vans.

By September 1, 1983, this standard would require upgrading the braking performance of about 20 percent of new light trucks, buses and vans. This standard addresses such things as high-speed stopping distances, fade performance, pedal force levels, parking brake performance, and partial brake system failure performance requirements. Numerous petitions have questioned whether all elements of this complicated standard are relevant or necessary for safe operation of these vehicles. NHTSA will publish final decisions on these petitions for reconsideration on or before June 1, 1981.

13. Propose termination of the rulemaking on Low Tire Pressure Warning Indicators.

NHTSA recently issued an ANPRM regarding a requirement that certain motor vehicles be equipped with a device to automatically indicate when tire pressure dropped four pounds per-square-inch (psi) below recommended pressures in order to maximize tire treadwear and fuel economy. Because this objective might be more directly and efficiently addressed as a consumer information issue, NHTSA will continue contracted research and publish on or before June 1, 1981, a notice that rulemaking in this area has been terminated at this time.

14. Propose eliminating information requirments on Tire Reserve Load, and reducing the minimum advance notice required before tire production may start.

Manufacturers are now required to provide consumers with information on "tire reserve load" capacity and to submit this and other information to NHTSA 90 days before model introduction. This requirement for a 90-day notice tends to inhibit or prevent any last minute changes to new models including possible consumer or safety improvements. A proposal to reduce this reporting requirement from 90 to 30 days prior to market introduction and to eliminate the requirement for complex tire reserve load information will be published in April 1981.

15. Terminate rulemaking on design testing and labelling of batteries.

Since January 1977, NHTSA has been considering a regulation to prevent explosions and resulting injuries from automobile batteries. Since then, industry has adopted batteries with significantly less explosive potential, thus lessening or eliminating the need for regulation. Accordingly, NHTSA will publish notice in the Federal Register on or about July 1 that rulemaking on batteries is terminated in view of market developments which have mitigated the problem.

16. Streamline and reduce fuel economy reporting requirements.

NHTSA regulations now require semi-annual reporting of complicated data on manufacturers' progress in meeting fuel economy standards. Because manufacturers are now substantially exceeding current standards and will most probably exceed the statutory 1985 goal of 27.5 mpg, NHTSA will publish in the Federal Register on or before June 1, 1981, a proposal to reduce the fuel economy reporting requirements which are either duplicative or not needed to NHTSA's monitoring responsibilities.

17. Propose changing Federal Vehicle Identification Number requirements from a Federal Motor Vehicle Safety Standard to an administrative regulation.

Federal Motor Vehicle Safety Standard No. 115 requires each motor vehicle to carry a unique 17 digit vehicle identification number which identifies the manufacturer, make, type, size,

place of manufacturer, and individual sequential number of manufacture. This number aids law enforcement, theft protection, and accident investigation. Manufacturers must provide NHTSA 60 days advance notification of all information needed to decode a vehicle identification number before the vehicles are manufactured. Errors constitute a violation of the standard and are grounds for recall proceedings. To ease this requirement, NHTSA will propose on or before June 1, 1981, to change its vehicle identification number regulation from that of a safety standard to an administrative regulation to reduce the administrative burdens upon manufacturers and NHTSA.

April 6, 1981
Date

s/s
Diane K. Steed
Acting Administrator

FACT SHEETS ON

INDIVIDUAL NHTSA ACTIONS

NHTSA Actions #1 & #2: Final Administrative Action to Delay for One Year Implementation of the First Phase of the "208 Standard"; and Notice of Proposed Rulemaking Adressing Alternatives for Automatic Occupant Protection (49 CFR 571.208)

DISCUSSION:

The "208 Standard" as issued in 1977 required manufacturers to install automatic (or "passive") occupant restraints in passenger car front seats. As so adopted the rule would become effective in three stages: in Model Year 1982 for large cars, 1983 for intermediates and compacts, and 1984 for small cars. Compliance would require using either air cushion restraints (airbags) or automatic belt systems.

The basis for this rulemaking was the extremely low rate of usage of available "active" seatbelt systems. Wearing seat belts could save thousands of lives annually in automobile accidents. NHTSA wll be undertaking an extensive campaign to inform and encourage the public on the need for increased active seatbelt usage.

This rule has the largest capital cost impact of any current safety standard. Smaller cars are inherently less safe, and the current phasing in from large cars to small cars reverses the order in which occupant protection would be most needed.

In 1977, NHTSA assumed that all MY 1982 cars covered by this rule would comply by using airbags. Manufacturers now plan to comply by using passive belt systems instead.

In 1977, NHTSA also assumed that where in later years passive belt systems were employed, there would be high usage rates of such systems. Current usage rates for active belt systems in similar large cars are about 7 percent. For safety reasons, even automatic belt systems must be detachable. Some question now thus exists as to the actual usage rates that would apply to the passive restraint systems called for by the first year of the 208 standard.

Finally, in 1977 NHTSA assumed no significant increase in active belt usage, and no major Federal Government effort to increase such usage. Any positive effects of NHTSA's current plans in this regard, which are not quantifiable at this time, would be factors in assessing the adverse impacts of a one year delay in the current 208 standard.

BENEFITS:

According to current NHTSA estimates, total cost savings to consumers from the proposed one-year delay will be $105 million. Capital investment savings for the industry will be about $30 million. Over 13,000 automobile manufacturer and supplier industry jobs will be saved.

Further changes to automatic restraint requirements for later model years could save hundreds of millions of dollars in industry investments. A reversal of the order of phasing in protection could save thousands of more lives as smaller cars become covered earlier. If usage rates for the automatic belts otherwise required for MY 1982 were to be 15 percent, or more than double those of current active belt systems, retention of this standard as now drafted might save a total of 75 lives over the projected 10 year life of the large cars involved. If usage rates were to occur at the level of 60 percent, this number could increase to as many as 490 over the same 10 year period.

IMPLEMENTATION:

(1) NHTSA is announcing today a one year delay in the application of the 208 standard to large cars.

(2) NHTSA is proposing several alternatives to further amend standard 208.

NHTSA ACTION #3: Proposal to modify the bumper standard to meet statutory requirements of the most cost-effective bumper system (49 CFR 581)

DISCUSSION:

The Motor Vehicle Information and Cost Savings Act requires a bumper standard which achieves "the maximum feasible reduction of costs to the public and to the consumer" in low-speed collisions. The standard now requires uniform bumper heights and protection from damage at speeds up to 5 mph, for both front and rear bumper systems. (49 CFR 581)

In 1979, NHTSA concluded that while the 5 mph standard offers substantially greater net benefits to the consumer than did prestandard bumper systems, it offered only narrowly greater net benefits over 2.5 mph bumper systems. A recent cost benefit study taking into account such things as higher fuel costs and bumper weight now concludes that rear bumper systems would not meet the statutory test of "maximum feasible reduction of costs" even at the lower speed.

Uniform height requirements would be retained but NHTSA is now preparing to propose to (1) eliminate the rear standard completely, and (2) either eliminate the front bumper standard or reduce its level to 2.5 mph of impact.

BENEFITS:

Savings of up to $650 million per year would be achieved, depending upon the final outcome of rulemaking.

IMPLEMENTATION:

A notice of proposed rulemaking will be published in April 1981. This notice will report on the findings of NHTSA's bumper standard evaluation, and will propose changes to the current standard.

NHTSA ACTION #4: Proposal to rescind "Fields of Direct View" Requirements (49 CFR 571.128)

DISCUSSION:

This rule deals with design requirements for driver vision. The rule was published on January 2, 1981, and sets performance requirements for: (1) the maximum permissible size of obstructions (e.g., roof pillars) in the driver's field of view; (2) a minimum field of view for the driver through the windshield, and (3) light transmittance through the windshield as installed.

No significant safety differences have been identified between current long term design plans and general compliance with the standard. However, manufacturers' design leadtimes may not permit compliance without substantial and costly redesign.

Should a problem arise over impairment of driver field of view, it could be addressed and corrected by NHTSA in a defect enforcement proceeding.

BENEFITS:

It is estimated that compliance with the standard as drafted would cost GM and Ford alone over $150 million in redesign and retooling costs. This will provide consumer savings in the amount of $85 million. Some additional fuel economy and cost savings may be realized where lighter, less expensive metal may be used in place of glass.

IMPLEMENTATION:

NHTSA will initiate rulemaking on or about July 1, 1981, to rescind FMVSS NO. 128.

NHTSA ACTION #5: NHTSA will terminate rulemaking on "Fields of Direct View" for trucks, buses, and multipurpose passenger vehicles

DISCUSSION:

A 1978 NPRM on "Fields of Direct View" dealt with the size of obstructions in the driver's line of sight, and other design requirements for driver vision. Final rulemaking in 1981 (see separate fact sheet) covered only passenger cars, because of the complex compliance problems related to commercial vehicles, particularly school buses.

BENEFITS:

Formally terminating rulemaking as to these vehicles will eliminate uncertainty and potential redesign and compliance testing costs.

IMPLEMENTATION:

The NHTSA will issue a Notice in the Federal Register informing industry that the 1978 NPRM is rescinded, on or before June 1, 1981.

NHTSA ACTION #6: Withdraw the ANPRM published on January 26, 1981, relating to Post-1985 Fuel Economy Standards

DISCUSSION:

The Motor Vehicle Information and Cost Savings Act requires auto fleet average mileage rates to meet or exceed 27.5 mpg by 1985. It requires NHTSA to set annual increments to reach this 1985 level, and authorized the Agency to set fuel economy standards after 1985.

The industry is now exceeding all interim standards, and all manufacturers will achieve actual fleet averages in excess of 30 mpg by 1985. Fuel economy is now a major market force, which is compelling industry achievement at maximum levels of technology. This has involved unprecedented capital investment ($70 billion by 1985), and the imposition of further mandatory requirements on the same scale would be beyond the investment capacity of the industry.

Market forces are expected to continue to force improvement at the maximum technologically achievable rates as fuel prices continue to escalate. There is no apparent need at this time for the lengthy, complicated and expensive Federal procedures and technological efforts which would be required independently to determine in advance the limits which might be set in additional standards. To assure that these conditions continue to prevail, NHTSA will continue its detailed analyses of the economic and technological capacity of the industry, and of the economic consequences of introducing substantially larger fuel economy requirements.

BENEFITS:

Withdrawal of the ANPRM will resolve existing uncertainties at this time, and reduce the current burdens on industry to respond to very detailed inquiries and requests for information.

IMPLEMENTATION:

A notice to withdraw the ANPRM will be published on or before June 1, 1981.

NHTSA ACTION #7: Proposal to amend regulation creating Uniform Tire Quality Grading System, to retain treadwear requirements but delete and reserve for future possible rulemaking grading based upon traction and heat resistance

DISCUSSION:

The Motor Vehicle Information and Cost Savings Act required NHTSA to publish a Uniform Tire Quality Grading System (UTQGS). NHTSA's current regulation requires that tires be tested and graded by manufacturers for three characteristics: treadwear, traction and heat resistance. Treadwear is graded upon a numerical scale and the other two qualities upon an alphabetical scale.

It is questionable as to whether the intent of the Congress to provide meaningful consumer information is being met by this complicated system. The UTQGS is subject to abuse by deliberate under-grading of tires to promote marketing of other models. Consumers may have difficulty understanding a 3-grade system. Also, dealers may emphasize the relative importance of one graded characteristic over another, thus creating sales pressure inconsistent with actual consumer needs.

The most meaningful characteristic from a consumer standpoint would appear to be treadwear. The characteristic of traction involves a safety aspect, and is perhaps better addressed in a separate safety standard. The characteristic of heat resistance involves primarily fuel economy consumer savings considerations, with some safety aspects.

NHTSA has accelerated completion of a detailed study of actual consumer information effectiveness of the UTQGS. The Agency will publish an advanced notice of proposed rulemaking addressing the considerations set forth herein, and requesting further data and information on each issue raised.

BENEFITS:

Simplification of the UTQGS could significantly enhance the availability of relevant consumer information. The existing regulation imposes manufacturers' testing costs of $37 million per year, and significant reporting and paperwork burdens associated with each aspect of the regulation.

IMPLEMENTATION:

NHTSA will publish on or before June 1, 1981, an advance notice of proposed rulemaking seeking data and public comment upon a substantial revision of this regulation.

NHTSA ACTION #8: Proposal to amend regulation on Safety Belt Comfort and Convenience (49 CFR 571.208)

DISCUSSION:

This regulation was proposed as a means of encouraging seat belt use. The rationale was: if seat belts were more comfortable and convenient, more people would use them. The regulation specified such things as shoulder belt tension, accessibility of buckles and convenience hooks. All major domestic and some foreign manufacturers submitted Petitions for Reconsideration of the final rule.

After review of these petitions, NHTSA is unable now to conclude that usage and therefore safety would be enhanced by the requirements. Physical and psychological characteristics of each individual occupant (height, weight, dexterity, preferences and sensitivities to perceived inconvenience, etc.) are a major variable in the impact of the detailed requirements. NHTSA now believes that only the tension aspect of this regulation can be expected materially to enhance comfort for all users.

BENEFITS:

NHTSA estimates that this rule would cost consumers $4 million a year. Industry estimated that costs could be several dollars per vehicle, with multi-million dollar tooling costs.

IMPLEMENTATION:

Based upon the petitions for reconsideration, NHTSA will propose substantive changes to eliminate all requirements except belt tension and to defer the effective date for one year.

NHTSA ACTION #9: Cessation of pending rulemaking on safety problems associated with the use of multipiece rims. Occupational hazards would remain subject to regulation by other agencies.

DISCUSSION:

NHTSA issued an ANPRM in March 1979, indicating that the Agency was considering rulemaking requiring certain performance levels of multipiece tire rims to prevent explosive separations. The Agency also indicated that it was investigating the need to ban production of the multipiece rims.

Since the issuance of the ANPRM, introduction of the problematic multipiece rims has virtually ceased. Occupational hazards in service facilities for commercial tires have become controlled by regulations of OSHA. NHTSA has now conducted a cost analysis that indicates an annual cost of $75 million to the consumer for implementation and $300 million to the tire and wheel industry for providing the necessary changeover equipment.

BENEFITS:

Decision to decline to regulate in this area would save the tire and wheel industry a capital investment of $300 million, and the transportation industry as much as $400 million over the next five years.

IMPLEMENTATION:

The NHTSA will issue a notice on or about July 1, 1981, indicating that rulemaking will be terminated in this area.

NHTSA ACTION #10: Proposal to rescind FMVSS No. 127, Speedometers and Odometers

DISCUSSION:

Standard No. 127 was issued on June 16, 1980, and would become effective September 1, 1981. It requires that speedometers be calibrated in mph and km/h, with top speed displays of 85 mph and 140 km/h, and that odometers be tamper-resistant and display (1) mileage from 0 to 99,999 and (2) whether or not 100,000 miles has been exceeded. The major objection to this standard was the absence of safety benefits.

BENEFITS:

GM has indicated per vehicle costs of $1.50. NHTSA estimates that recission would result in a savings of approximately $1.00 to $1.50 per vehicle manufactured. This would reduce manufacturers' costs by approximately $11 million per year.

IMPLEMENTATION:

NHTSA will issue an NPRM on or about July 1, 1981, to rescind the standard.

NHTSA ACTION #11: Propose to defer for at least one year the effective date of Standard No. 114, Theft Protection, and delete the key removal provisions

DISCUSSION:

The final rule for Standard No. 114 was issued December 22, 1980. It extended to light trucks and vans the antitheft and key locking steering column requirements previously applicable only to passenger cars. In addition, it requires that all ignition locking systems be designed so that the key could not be removed while the vehicle is in motion. These requirements are to become effective September 1, 1982, for passenger cars and September 1, 1983, for light trucks and vans.

The NHTSA will propose to delete the key removal requirements for a possible savings of redesign and retooling costs.

BENEFITS:

There will be minor benefits from the extension of the leadtime of the antitheft provisions for light trucks and vans. An annual consumer benefit of $10 million will be realized from deletion of the key removal requirements.

IMPLEMENTATION:

NHTSA will respond to petitions for reconsideration on or before June 1, 1981.

NHTSA ACTION #12: Proposal to modify recently issued hydraulic brake performance standard for light trucks, buses, and vans

DISCUSSION:

Effective on September 1, 1983 for 1984 MY vehicles, NHTSA's recently issued rule would require upgrading the braking performance of about 20 percent of new light trucks, buses, and vans. The standard addresses a number of performance characteristics, including high speed stopping distances, fade performance, pedal force levels, parking brake performance and partial system failure performance requirements. The last requirement would now apply to heavy trucks and buses as well.

Serious questions have been raised as to whether all elements of this complicated standard are relevant or necessary to secure intended safety benefits, in light of current industry practices which achieve virtually equivalent results.

BENEFITS:

Rescinding the rule could save the consumer about 18 million dollars per year, in testing and arguably unnecessary redesign costs.

IMPLEMENTATION:

NHTSA will publish its final decision on numerous pending petitions for reconsideration and any necessary proposed rulemakings on or before June 1, 1981.

NHTSA ACTION #13: Proposal to terminate rulemaking on Low Tire Pressure Warning Indicators

DISCUSSION:

On January 26, 1981, NHTSA issued an ANPRM to initiate rulemaking to require that all passenger cars, trucks and buses be equipped with a low tire pressure warning device (LTPWD) which would automatically indicate when tire pressure has dropped four pounds per square inch (psi) below recommended pressures for maximum load. Such devices could be "active" and consist of attachments to the tire to signal low pressure visible warning within the field of view of the driver.

The principle basis for this proposal is maximization of tire treadwear and fuel economy resulting from optimum inflation levels and corresponding minimization of rolling resistance. This basis is arguably more directly and efficiently addressed as a public/consumer information issue.

BENEFITS:

NHTSA estimates a consumer cost per regulated automobile of $5 and per regulated truck or bus of $20, for a total consumer cost of implementation of at least $130 million per year.

IMPLEMENTATION:

NHTSA will continue with contracted research addressed to potential new development of devices, but will publish in the Federal Register on or before June 1, 1981, a notice that rulemaking in this area has been terminated at this time.

NHTSA ACTION #14: Proposal to eliminate information requirements on tire reserve load, and reduce the minimum advance notice which must be given before production may start

DISCUSSION:

Under NHTSA regulation published in July 1980, manufacturers are required to identify to consumers/purchasers the "tire reserve load" capacity, and submit this and other consumer information data to NHTSA 90 days before model introduction.

Reserve load capacity differs by tire model, and is a function of the final actual weight of the standard vehicle. These factors are usually among the facts to be identified for each new model.

The requirement that all consumer information data be submitted to NHTSA at least 90 days before model introduction tends to inhibit or prevent any last minute changes, including those which might be desirable from a consumer or safety standpoint.

NHTSA wil propose to permit manufacturers to furnish consumer information as to last minute design changes as late as 30 days prior to market introduction, for good cause shown and to eliminate the requirement for tire reserve load information as unnecessary and excessively complex.

BENEFITS:

Changing reporting requirements from 90 days to 30 days advance notice when vehicle changes occur allows manufacturers greater flexibility both in preparing and disseminating consumer information material and in product planning. Elimination of tire reserve load information requirements will reduce reporting, testing and recordkeeping requirements.

IMPLEMENTATION:

A proposal to amend consumer information reporting requirements will be published in April 1981.

NHTSA ACTION #15: Cessation of rulemaking action on design, testing and labelling of batteries

DISCUSSION:

Since January 1977, NHTSA has been considering rulemaking to establish a standard and prescribe test procedures applicable to new and replacement auto batteries to prevent explosions and resulting injuries. The standard under development would require design and vent systems, instruction manuals and labelling, and laboratory compliance tests to determine battery capability to minimize the potential of explosions.

Since NHTSA and the Consumer Product Safety Commission started this effort, industry changeover to superior, maintenance-free batteries with significantly less explosive potential has lessened, if not eliminated, the need for regulation in this area.

BENEFITS:

Discontinuation of rulemaking will save battery manufacturers the expense of design and compliance testing, including the capital investment in testing equipment, and the costs associated with printing and affixing manuals and labels.

IMPLEMENTATION:

NHTSA will publish notice in the Federal Register on or about July 1, 1981, that rulemaking on batteries is being terminated in view of the market developments which have mitigated the problem.

NHTSA ACTION #16: Proposal to streamline and reduce fuel economy reporting requirements not necessary to NHTSA monitoring of compliance

DISCUSSION:

By regulation NHTSA now requires semi-annual reporting of extremely complicated data on manufacturers' progress in meeting interim fuel economy standards leading to the statutory 1985 goal of 27.5 mpg.

All manufacturers are now substantially exceeding such interim goals, and independent NHTSA monitoring of industry efforts makes separate reporting by manufacturers largely unnecessary. NHTSA resources are at present inadequate to review the voluminous submissions currently required, and no meaningful purpose appears to be served by the detailed submissions in question.

BENEFITS:

Significant paperwork and reporting burdens are imposed upon industry and NHTSA in the preparation, submission and handling of the required fuel economy information.

IMPLEMENTATION:

NHTSA will publish in the Federal Register on or before June 1, 1981, a proposal substantially to reduce the reporting requirements associated with fuel economy achievements which are duplicative or unnecessary to the performance of NHTSA's monitoring duties.

NHTSA ACTION #17: Proposal to change the Federal requirements applicable to vehicle identification number from Federal Motor Vehicle Safety Standard to regulation and to modify advance notice requirements

DISCUSSION:

FMVSS 115 requires that each motor vehicle have affixed to it a 17 digit vehicle identification number (VIN) which must be unique to that vehicle and which consists of combinations of characters which identify the manufacturer, make, type, size, place of manufacture and individual sequential number of manufacture.

Specific identification numbers similar to the VIN have been required since 1946, as an aid to law enforcement, theft protection and accident investigation. Although initially controversial, NHTSA's final rulemaking is now in force and engineering and recurring costs have stabilized.

The standard also requires, however, that 60 days advance notification of all information necessary to decode a VIN be provided before date of manufacture. Manufacturing errors would constitute a violation of the standard and be grounds for recall proceedings.

NHTSA will propose to modify the form of its VIN regulation from that of a safety standard to that of an administrative regulation to reduce administrative burdens upon manufacturers and NHTSA.

BENEFITS:

Minimal cost savings reflecting marginally reduced recordkeeping and reporting requirements might be incurred, but significant potential costs in the event of a recall and remedy proceeding for inconsequential violation of the standard would be avoided.

IMPLEMENTATION:

NHTSA will publish in the Federal Register on or before June 1, 1981, a proposed rulemaking which would rescind FMVSS 115 and impose similar substantive requirements for affixing the VIN as an administrative regulation of the Agency.

ITEMS FOR FURTHER NHTSA STUDY

In addition to the 17 items specifically identified for action, NHTSA has a number of other standards and regulations under intensive review. Some of these are the subject of the agency's formal evaluation process. These items are candidates for possible reform action in the future. They include such action as:

- Evaluation of the comments received on the NPRM proposing requirements for new car crashworthiness performance. Ratings of this performance would be made available to the public. NHTSA will evaluate public comments on the notice, the findings of an international symposium on automotive ratings, and the results of a consumer survey.

- Review of the public comments on a proposal to modify passenger car bumpers to reduce impacts causing pedestrian injuries.

- Review of the public comments on a proposed standard for a rear protection device for trucks to reduce the severity of crashes in which cars run into the rear ends of trucks.

- Evaluation of the costs and effectiveness of a regulation requiring standardization of markings and placement of the controls on the dashboards and steering columns of vehicles.

- Consideration of the costs and benefits of a rule that requires each motor vehicle to have a hood latch. The rule requires some vehicles to have one latch and others to have two latches.

- Evaluation of the comments received on a proposed change to the rearview mirror standard. The current rule specifies a number of precise requirements for mirror size and location. NHTSA will look at the costs and benefits of the rule.

- Review of the rule which requires a "fail safe" mechanism on headlamp concealment devices. The rule also specifies several aspects of the lamp operation, such as operating temperature. NHTSA will examine the costs and benefits of the rule.

Summary Table

Potential Savings From Proposed Actions

Agency Action	Five Year Savings* Capital (millions of dollars)	Five Year Savings* Consumer (millions of dollars)	Comments
EPA			
Relax the statutory HC and CO standards for heavy trucks	108	536	Industry says that this action would save $110 million. General Motors estimates $900 per engine in consumer savings.
Relax the 10 percent AQL to 40 percent for light and heavy trucks	19	129	International Harvester estimates it will save $14 million by this action.
Delay assembly line testing for heavy trucks	57	64	Chrysler claims a savings of $3 million for this change; General Motors $44 million, International Harvester $22 million.
Relax the NO_x level for heavy trucks	150	563	
Emissions averaging for diesel particulate emissions	40	523	
Eliminate 1984 high altitude auto emission standards	38	1,300	Requires amendment to Clean Air Act. Ford estimates that this change will save them about $56 million with a savings to consumers of $500 million.
Adopt self-certification for vehicles sold at high altitude	1	1	Would save manufacturers the time and expense of transporting test cars to high altitude areas and eliminate scheduling problems.
Not requiring use of onboard control technology for refueling emissions	103	1,200	Industry says that this action would save consumers $1.5 billion.
Reduce the annual number of assembly line test orders	1	1	
Explore deferring standards for paint shops	300	---	Unable to estimate savings to consumer as action by states is unknown.
Savings from EPA Actions	817	4,317	

Agency Action	Five Year Savings Capital (millions of dollars)	Consumer	Comments
NHTSA			
Delay First Year Implementation of Passive Restraint Standard	30	105	Additional savings of as much as $600 million in investments and $1 billion annually in consumer costs are possible, depending on subsequent action taken by the Department.
Modify bumper standard	---	3,250	Some capital costs required to modify standard.
Rescind fields of direct view	174	85	Capital investment estimates are by GM and Ford.
All Other NHTSA Actions	352	1,540	
Savings from NHTSA Actions	556	4,980	
Total Savings (EPA and NHTSA)	1,373	9,297	About $150 per car and truck in potential consumer savings.

*In addition to these savings, the notices of intent identify 7 other actions (plus a number of other longer term initiatives) that will result in further regulatory relief but for which estimates of savings are not available. The savings estimates shown in this table are in 1981 dollars and are undiscounted 5-year cumulative totals.