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# Clean Air Act Amendments

# Cost Comparisons

January 23, 1990

Office of Air and Radiation
United States Environmental Protection Agency

# Clean Air Act Amendments

## Cost Comparisons

### Table of Contents

## Clean Air Act Amendments

## Cost Comparisons

### EXECUTIVE SUMMARY

Last June, President Bush announced a comprehensive proposed set of amendments to the current Clean Air Act. The goal of this legislation is simple -- to secure the right of all Americans to breathe clean air and live in a cleaner environment. Moreover, by utilizing innovative and cost effective pollution control and prevention practices, the President's proposal protects our public and environmental health without hindering our nation's economic viability.

Both the House and the Senate have proposed similar bills to amend the Clean Air Act. This executive summary compares the economic costs of the Administration's original proposal, the House amendments to that original proposal (H.R. 3030 as reported), and the current Senate proposal (S. 1630).

All three proposals seek common environmental goals; curbing acid rain, improving urban air quality, and reducing toxic air emissions. These goals are achieved in different ways however -- differences that will greatly affect the overall cost of clean air. By restricting the discretion of EPA to implement the new clean air provisions and by using federal mandates rather than local solutions, H.R. 3030, and to a much greater degree the Senate bill, result in higher costs with little additional environmental benefits.

As introduced, the President's original set of amendments is estimated to cost $18.9 billion annually in the year 2005. H.R. 3030 as reported would cost $22.2 billion and the Senate proposal would cost $41.9 billion by the year 2005, or more than double the cost of the original Administration bill. The relative magnitudes of the costs are similar in the early years after implementation. The original Administration bill is estimated to cost $6.8 billion in 1995, H.R. 3030 (as reported) $8.0 billion, and S. 1630 $12.0 billion annually by 1995.

Each title of the proposed bills has important differences that result in substantial cost differences. The overall cost of <u>nonattainment provisions</u> of the Senate bill are more than $11 billion more than the Administration nonattainment provisions. The majority of this difference (over $7 billion) is due to the tighter automotive tailpipe emission standards in S. 1630. This $7 billion dollar increased cost accounts for minor improvements (1-2%) in volatile organic chemical (VOC) reductions over the provisions of the Administration and House bills.

In the <u>air toxics</u> title, the Senate's residual risk requirement is estimated to cost approximately $4.5 billion more than the Administration or House bills. These costs are due largely to the potential closure of industrial sources unable to meet the nondiscretionary "bright line" $1 \times 10^{-4}$ provision of the Senate bill. (Any source that imposes a cancer risk greater than 1 in 10,000 to the "maximum exposed individual" would be required to shut down.) In addition, the more stringent leak detection and accidental release provisions of S. 1630 are expected to cost approximately $2.5 billion more than either the Administration or House bill.

In the <u>acid deposition</u> provisions, the Senate bill is expected to cost approximately $400 million more annually and result in relatively little additional reductions of NOx and SO2.

In addition to these differences in specific provisions, the Senate bill adds important provisions that are not contained in the Administration or the House bill. These additional provisions will increase the cost of the Senate bill beyond the current estimate. Some of the major additions to the Senate bill (for which costs have not been estimated) include:

- The **carbon dioxide motor vehicle standards** will in effect increase the required motor vehicle mileage standards to 33 miles per gallon by 1996 and 40 mpg by the year 2000. The potentially disruptive effect on the competitiveness of the U.S. automotive industry and the additional per-vehicle technology costs of meeting these standards are not included in the overall Senate bill costs.

- The costs of **phasing out the production and use of ozone depleting chlorofluorocarbons, halons, and carbon tetrachloride** according to the schedule in the Senate bill will exceed those expected as a result of the current Montreal Protocol. These costs are not included in the overall Senate estimate.

- The Senate acid deposition provisions require **federally-owned facilities** to obtain 10% of their electricity supply from alternative clean sources. To the extent that these alternative sources are costlier than current sources, the cost of electricity to these facilities will be increased. These costs are not reflected in the acid deposition costs of the Senate bill.

- Significant Great Lakes and coastal waters air toxic monitoring networks and research programs are required in the Senate bill. The costs of these provisions have not been estimated or included.

- The municipal waste combustor provisions of the Senate bill would impose more stringent controls on very small waste combustors compared to the proposed EPA regulations. These costs are not included in the analysis.

- The cost of the Senate bill does not reflect any additional costs for transportation control measures in the Senate bill. For example, employers that are not able to reduce the average number of passengers per car would be required to pay a monthly fee.

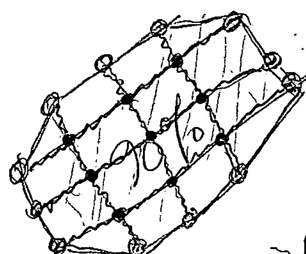
In sum, either by addition of provisions beyond the scope of the President's original set of Clean Air Act provisions or by omission of provisions designed to attain environmental benefits in the most cost-effective manner, S. 1630 and to a lesser extent H.R. 3030 (as reported) result in a higher price tag for clean air. With overall costs for clean air in the billions, rather than millions of dollars, these cost differences could have a significant impact on the nation's economic health without providing substantial additional environmental benefit.

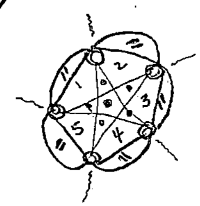
The remainder of this report compares the costs of each bill and discusses important differences between each title.

# CLEAN AIR ACT AMENDMENTS

## ANNUAL COST COMPARISON
(million $)

| | 1995 | | | 2005 | | |
|---|---|---|---|---|---|---|
| | Administration[1] | House (H.R. 3030)[2] | Senate (S.1630) | Administration | House (H.R. 3030) | Senate (S. 1630) |
| *NONATTAINMENT* | *5,400* | *6,600* | *8,500* | *10,100* | *11,900* | *23,200* |
| *ACID RAIN* | *400* | *400* | *300* | *4,100* | *4,100* | *4,500* |
| *AIR TOXICS* | *1,000* | *1,000* | *3,200* | *4,700* | *6,200* | *14,200* |
| | ============ | ============ | =========== | ========== | ========== | =========== |
| **TOTAL ANNUAL COSTS** ("best" estimate) | **$6,800** | **$8,000** | **$12,000** | **$18,900** | **$22,200** | **$41,900** |





[1] As transmitted by the President.

[2] Administration bill as amended in Health and Environment Subcommittee.

# CLEAN AIR ACT AMENDMENTS

## ANNUAL COST COMPARISON
(million $)

| | 1995 | | | 2005 | | |
|---|---|---|---|---|---|---|
| | Administration[1] | House (H.R. 3030)[2] | Senate (S.1630) | Administration | House (H.R. 3030) | Senate (S. 1630) |
| ***NONATTAINMENT*** | ***5,400*** | ***6,600*** | ***8,500*** | ***10,100*** | ***11,900*** | ***23,200*** |
| Stationary | 2,207 | 2,207 | 2,707 | 2,350 | 2,350 | 2,920 |
| Motor Vehicles/Fuels[A] | 1,635 | 2,685 | 3,376 | 1,691 | 3,494 | 11,413 |
| Area Specific[B] | 542 | 732 | 1,306 | 589 | 799 | 1,244 |
| Progress Requirements | 680 | 656 | 369 | 5,150 | 4,940 | 7,000 |
| Fees | 300 | 300 | 755 | 300 | 300 | 600 |
| ***ACID RAIN***[C] | ***400*** | ***400*** | ***300*** | ***4,100*** | ***4,100*** | ***4,500*** |
| ***AIR TOXICS*** | ***1,000*** | ***1,000*** | ***3,200*** | ***4,700*** | ***6,200*** | ***14,200*** |
| Phase I MACT[D] | 1,010 | 1,010 | 2,603 | 3,145 | 3,145 | 4,141 |
| Mobile Sources | 0 | 0 | 0 | 0 | 1,505 | 1,500 |
| Accidental, Monitoring & Leak Detection | 0 | 0 | 591 | 84 | 84 | 2,591 |
| Residual Risk[E] | | | | | | |
| Unreasonable Risk | 0 | 0 | 0 | 1,500 | 1,500 | --- |
| $1x10^{-4}$ & $1x10^{-6}$ Risk | 0 | 0 | 0 | --- | --- | 6,000 |
| **TOTAL ANNUAL COSTS** ("best" estimate) | **$6,800** | **$8,000** | **$12,000** | **$18,900** | **$22,200** | **$41,900** |

[See following pages for Notes A-E]

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1 As transmitted by the President.

2 Administration bill as amended in Health and Environment Subcommittee.

## Additional Notes for Cost Comparison Table

### Nonattainment Cost Notes

A.1 The EPA-estimated cost increase for the full set of Phase 2 standards in the Senate bill represents about 5 percent of the average purchase price of a car. Economists generally agree that in the short term this will reduce new car sales by about 5 percent from whatever they would otherwise be. The transportation services that would have been provided by these lost units will be made up via older cars being kept in service longer and used more intensively. The reduction in emissions benefits from tailpipe hydrocarbon controls and the increased progress requirement reductions reflect this price effect.

A.2 The tailpipe standard cost for the original Administration bill does not reflect possible savings from permitting averaging across models. The original Administration bill would permit averaging only under conditions that preserve the emission reductions otherwise achieved by applicable standards. EPA believes that even with this constraint, averaging might provide industry and consumers with significant savings and/or more product choice. It can allow manufacturers to avoid high per vehicle development and hardware costs on low-volume or difficult-to-control models by substituting extra reductions from models with more emissions payback per dollar spent. It can also allow new model production to start on schedule despite delays in achieving full compliance. The standards proposed by the Administration are feasible with known technology for all models, and EPA would expect that averaging would be used only sparingly, with moderate cost savings overall but significant savings for a fraction of customers. If, for example, averaging saved one-half the cost of control on 10 percent of production, the overall cost of the tailpipe standards would be reduced 5 percent.

B. The Senate bill lowers the ton per year cutoff to 25 tpy in long-term nonattainment areas and 10 tpy in Los Angelas for reasonably available control technology (RACT). This provision will automatically subject these smaller sources to controls. In the Administration bill, local areas retain the discretion to regulate such sources as deemed necessary to meet the progress requirements. Any additional costs of the less flexible Senate RACT standards are not reflected in the area source cost estimates.

## Acid Rain Cost Notes

C.1 The present value of the cost of the Administration proposal is \$13 - \$18 billion (1988\$). The present value of the Senate bill is \$14 - \$22 billion. The \$1 - \$4 billion dollar additional cost of the Senate bill is due to the additional NOx requirements and the one year earlier starting date of each phase of reductions.

C.2 S. 1630 contains additional requirements for federally owned facilities as part of the Title IV Acid Deposition Control provisions. Sec. 403 requires federally owned facilities operating in affected utility service areas to install cost effective energy conservation improvements and to utilize renewable and alternative clean energy technologies to satisfy at least 10 percent of each facility's electricity needs.

The requirement to transfer 10% of the electricity demand of these facilities to clean alternative sources could greatly increase the cost of electricity if the price of the clean substitute was more than current supply. Moreover, this requirement may only result in a reshuffling of power usage, resulting in little net environmental benefit. By requiring facilities to purchase electricity from nonfossil sources for example, the requirement would shift nonfossil power from existing customers to federal facilities and fossil capacity previously used by federal facilities to nonfederal facilities.

## Air Toxics Cost Notes

D. Part of the Phase I MACT technology costs include costs for controlling toxics from electric utility boilers. EPA's detailed air toxics cost analysis indicates that boiler control costs could range from \$750 million to \$2.6 billion in the year 2003. This range of control costs does not include the use of scrubbers which may be necessary in some cases to control emissions of acid gaseous emissions (e.g. fluorides, chlorine, formaldehyde). If such gaseous emissions were considered in the analysis, an estimated 230 additional coal-fired generating plants would exceed the major source trigger criteria. Adding scrubbers to these boilers would cost approximately \$7.3 billion annually. The control of acid gas emissions and the interplay between the air toxics and acid rain provisions of the various bills will both be elements of the utility boiler study required by the Administration bill.

E. The $6 billion dollar residual risk cost of the Senate bill includes both the potential costs of closure of the sources unable to meet the $1 \times 10^{-4}$ "bright-line" risk goal as well as the costs sources are expected to incur costs in striving to meet the $1 \times 10^{-6}$ Senate residual risk standard. Research on improved control technologies and implementation of better pollution management and control practices will impose costs on those sources who meet the $1 \times 10^{-4}$ risk level but fall short of the $1 \times 10^{-6}$ risk level.

The nationwide cost of this $1 \times 10^{-6}$ residual risk requirement is difficult to estimate. In the most recent NESHAPS regulations promulgated by EPA for stationary sources of benzene, the incremental control costs of reducing risk from $1 \times 10^{-4}$ to $1 \times 10^{-6}$ totaled over $100 million annually for those sources <u>able</u> to meet the stricter standard. Similar or greater costs can be expected for other industrial sources required to meet the Senate's $1 \times 10^{-6}$ residual risk requirement.

In addition to the economic costs of potential industrial source closure resulting from the Senate's $1 \times 10^{-4}$ risk standard, approximately 11,000 - 14,000 workers may lose their jobs.

## DISCUSSION OF COST DIFFERENCES

### I. Nonattainment

A. Ozone Nonattainment

By the year 2010, each bill results in attainment of the ozone ambient air standard in all areas in the nation. The Senate bill has earlier attainment deadlines than the Administration or House bill, resulting in greater overall costs. By the year 1995, the ozone attainment costs of the Senate bill are $700 million more than the original Administration bill. By 2000, ozone attainment costs are $1.1 billion more, and by 2005 they jump to over $10 billion more annually. The majority of this cost differential is due to the Senate proposal's Phase II automotive tailpipe standards which are estimate to add an additional $500 to the price of each car.

B. Carbon Monoxide Attainment

The more stringent oxygenated fuels provisions of the Senate bill are estimated to cost $320 million in 1995 compared to $117 for the original Administration bill.

### II. Acid Rain

The Senate bill is estimated to cost approximately $400 million more than the Administration bill by the year 2005. Each bill achieves similar SO2 reductions (8.2 million tons from 1980 baseline by 2005 for the Administration bill and 8.6 million tons for the Senate bill). Each bill is estimated to result in approximately 2.1 million tons of NOx reductions. Although the NOx reduction requirements are greater in the Senate bill because the incremental reductions would be extremely expensive, the analysis indicates that utilities will comply by substituting $SO_2$ reductions for part of the NOx reduction requirement. This substitution effect accounts for the 400,000 ton increase in $SO_2$ reductions in the Senate bill.

The Administration and House bills have the same costs for acid rain control.

### III. Air Toxics

In 1995 the Senate air toxics provision is estimated to cost $3.2 billion compared to $1.0 billion for the House and Administration bills. The increased cost is due to urban air toxics monitoring network costs not mandated in the

Administration bill and the earlier potential control of utility boilers. The Administration bill contains a provision to complete a study of the toxic emissions from utility boilers before regulation.

By 2005, the costs of the Senate bill ( $14.2 billion) are over double the estimated cost of the amended Administration bill ($6.2 billion). This is due to accidental release and leak detection provisions more stringent than the Administration bill and the potential costs of closure of industrial sources that cannot meet the Senate's $1 \times 10^{-4}$ "bright-line" residual risk standard.

The major difference between the original Administration and H.R. 3030 is H.R. 3030's more stringent mobile source air toxic requirements which result in an additional $1.5 billion cost -- primarily for the control of benzene.

## IV. Additional Senate Provisions

### A. Stratospheric Ozone and Global Climate: CFC Phaseout

Title VII of S. 1630, Stratospheric Ozone and Global Climate Protection, requires the scheduled phase out of production of listed CFCs, halons and other ozone depleters. The schedule would require a total ban of production by the year 2000, in contrast to the current international agreement (Montreal Protocol) which only freezes production in 1998 at half of the 1986 levels. In addition, the Senate bill does not provide the Administrator with discretion to consider the toxic potential of CFC substitutes.

The Administration proposal does not contain amendments to the Clean Air Act for the control of stratospheric ozone depletion. EPA and the Administration believe that multilateral negotiations and actions for such control should go forward as scheduled, rather than unilateral action. The process of strengthening the Montreal Protocol is well underway and should be allowed to run its course. Changes to the protocol are schedule to be decided at the second meeting of the of signatories which is scheduled for June 1990. In addition, the agency currently has broad regulatory authority to undertake many of the specific requirements contained in the Senate bill. Moreover, the Administration believes that complicating an already full and complex package of amendments at this stage of the legislative process may unnecessarily jeopardize passage of the bill.

## B. Carbon Dioxide Emissions from Automobiles

In response to global warming concerns, S. 1630 requires new cars beginning in 1996 to meet a $CO_2$ standard corresponding to a 33 miles per gallon fuel efficiency level, and beginning in 2000 the standard increases to about 40 miles per gallon.

The Administration and House bills do not contain such a standard and the Administration opposes its inclusion because it represents unilateral, rather than the necessary multilateral actions needed to solve global environmental problems. In addition, these changes to fuel economy levels require detailed consideration of feasibility, cost and the impact on U.S. automotive industry competitiveness. Finally, as with the addition of the CFC requirements, the inclusion of a $CO_2$ standard into the ongoing amendment process injects a host of new complicated issues into the debate, seriously jeopardizing action on the already crowded clean air agenda.

# NONATTAINMENT COST DETAILS

## Nonattainment Costs

The following costs tables compare the costs of reducing VOC's for ozone nonattainment purposes for the years 1995, 2000, 2005, and 2010.

Measures analyzed in the tables are divided into five categories.

1. The base program and RVP I represent regulations and standards that are already in force and therefore will affect emissions regardless of how the Clean Air Act is amended. The major controls of the base program are full implementation of existing SIPs, the existing Federal Motor Vehicle Control Program (FMVCP), and new source controls. The cost of the base program and RVP are not included in the totals ascribed to each bill.

2. National stationary measures are those that affect all sources nationwide whether or not they are located in nonattainment areas.

3. Measures that affect motor vehicle emissions are listed as a group.

4. Area specific measures are those that, when mandated by a bill, are applied to a selected number of areas, whether it be all nonattainment areas or a subset of nonattainment areas. (Two of the motor vehicle measures, Stage II and alternative fuels, are also area specific measures).

5. Costs listed as progress requirements are those beyond the specific measures mandated by each bill, but that are necessary to meet interim emission reduction requirements or to attain the standard, whichever is binding. Identifiable controls (for which cost and emission reduction information is available) are applied first. The remainder of the progress requirements is made up of as yet unspecified "assumed" controls for which no specific cost data are available. Costs of assumed controls are estimated to range from $2,000 to $10,000 per ton with a best estimate of $5,000 per ton.

As indicated in the footnotes to Table 3, the percentage reduction is estimated based on what is expected to occur in ozone nonattainment areas. For most categories, the percentage reduction is calculated as the expected 1995 nonattainment area emissions for that category under the current EPA policy minus the modeled 1995 nonattainment area emissions divided by the 1987 nonattainment area total emissions. (For projection years other than 1995, the percentage reduction is calculated in the same way, with that year's emissions substituted into the above relationship.) For measures that are not applied to <u>all</u>

nonattainment areas, the percentage reduction is calculated by substituting into the above equation the emissions for the areas where the measure is applied. As an example, stage II refueling controls are only applied in moderate, serious, and severe nonattainment areas in the Administration bill, so the emissions in marginal nonattainment areas are excluded from the calculation for that measure.

In addition to the costs reflected in the tables for ozone nonattainment, each bill contains NOx mobile source costs for ozone attainment, and carbon monoxide attainment costs (oxygenated fuels and cold temperature CO control costs).

These costs are as follows:

<u>NOx Motor Vehicle</u>

| | | |
|---|---|---|
| Administration | 1995 -- $ 380 million | 2005 -- $ 415 million |
| H.R. 3030 | 1995 -- $1,387 million | 2005 -- $1,741 million |
| S. 1630 | 1995 -- $1,568 million | 2005 -- $2,395 million |

<u>Oxygenated Fuels</u>

| | | |
|---|---|---|
| Administration | 1995 -- $ 117 million | 2005 -- $ 140 million |
| H.R. 3030 | 1995 -- $ 154 million | 2005 -- $ 187 million |
| S. 1630 | 1995 -- $ 320 million | 2005 -- $ 392 million |

<u>Cold Temperature Carbon Monoxide</u>

Administration, H.R. 3030, and S. 1630 (costs same for all bills for Phase I standard)

1995 -- $108 million
2005 -- $128 million

In addition to these costs, the Senate provisions will result in additional control costs for the years 2000-2003, for the cost of equipment that must be installed on cars in certain areas <u>prior</u> to the installation of the control equipment required to meet the rest of the Senate bill's Phase II tailpipe standards in 2003.

Table 1
Comparison of Ozone Nonattainment Bills - 1995
(1/23/90)

| Measure | Original Administration %VOC(3) | Original Administration Cost(2) | House H.R.3030 %VOC(3) | House H.R.3030 Cost(2) | Senate S.1630 %VOC(3) | Senate S.1630 Cost(2) |
|---|---|---|---|---|---|---|
| Base Program | 15.3 | - | 15.3 | - | 15.3 | - |
| RVP I | 6.4 | - | 6.4 | - | 6.4 | - |
| NATIONAL STATIONARY | | | | | | |
| TSDF(1) | 3.8 | 1,700 | 3.8 | 1,700 | 3.8 | 1,700 |
| Municipal Landfills(1) | 0.6 | 65 | 0.6 | 65 | 0.6 | 65 |
| Cons./Comm. Solvents | 0.9 | 400 | 0.9 | 400 | 2.1 | 900 |
| Arch. Coatings | 1.5 | 0 | 1.5 | 0 | 1.5 | 0 |
| Marine Vessels | 0.1 | 42 | 0.1 | 42 | 0.1 | 42 |
| MOTOR VEHICLES/FUELS | | | | | | |
| RVP II | 7.5 | 240 | 7.5 | 240 | 7.5 | 240 |
| Evap/Running Losses | 0.8 | 60 | 0.8 | 60 | 0.8 | 60 |
| Tailpipe/Useful Life | <0.1 | 460 | <0.1 | 430 | 0.3 | 870 |
| Refueling: | | | | | | |
| Stage II and Onboard | 1.3 | 120 | 1.3 | 76 to 236 | 1.3 | 130 to 290 |
| Alternative Fuels | <0.1 | 150 | <0.1 | 150 | - | - |
| AREA SPECIFIC MEASURES | | | | | | |
| RACT to 50 tpy | - | - | - | - | 0.4 | 84 |
| New CTG | 2.9 | 400 | 4.1 | 590 | 4.4 | 480 |
| Enhanced I&M | 1.1 | 73 | 1.1 | 73 | 1.2 | 92 |
| Basic I&M | - | 69 | - | 69 | | |
| Ozone Transport Regions | * | * | * | * | - | 250 |
| PROGRESS REQUIREMENTS | | | | | | |
| Identifiable Controls | ** | 130 | ** | 36 | ** | 79 |
| Assumed Controls | ** | 550 | ** | 620 | ** | 290 |
| NATIONAL TOTALS | 42 | 4,500 (4,100 to 5,000) | 43 | 4,700 (4,300 to 5,300) | 46 | 5,400 (5,300 to 5,700) |
| RESIDUAL NONATTAINMENT AREAS | 19 | | 18 | | 19 | |

(1) Measures EPA will implement under other legislation
(2) Millions of dollars
(3) Percentage reductions in VOC emissions are estimated from nonattainment area totals or as a percentage of 1987 emissions in the areas where those measures are scheduled to be applied.

* Bill requires assessment to determine nature and extent of controls needed for transport. Additional controls are likely, but estimates are not available.

** Percentage reductions for progress requirements are not shown because they apply only to a limited number of areas.

Table 2
Comparison of Ozone Nonattainment Bills - 2000
(1/23/90)

| Measure | Original Administration %VOC(3) | Original Administration Cost(2) | House H.R.3030 %VOC(3) | House H.R.3030 Cost(2) | Senate S.1630 %VOC(3) | Senate S.1630 Cost(2) |
|---|---|---|---|---|---|---|
| Base Program | 13.7 | - | 13.7 | - | 13.7 | - |
| RVP I | 6.7 | - | 6.7 | - | 6.7 | - |
| NATIONAL STATIONARY | | | | | | |
| TSDF(1) | 3.9 | 1,800 | 3.9 | 1,800 | 3.9 | 1,800 |
| Municipal Landfills(1) | 0.6 | 67 | 0.6 | 67 | 0.6 | 67 |
| Cons./Comm. Solvents | 1.0 | 420 | 1.0 | 420 | 2.3 | 980 |
| Arch. Coatings | 1.5 | 0 | 1.5 | 0 | 1.5 | 0 |
| Marine Vessels | 0.1 | 47 | 0.1 | 47 | 0.1 | 47 |
| MOTOR VEHICLES/FUELS | | | | | | |
| RVP II | 7.6 | 260 | 7.6 | 260 | 7.6 | 260 |
| Evap/Running Losses | 2.3 | 63 | 2.3 | 63 | 2.3 | 63 |
| Tailpipe/Useful Life | 0.4 | 480 | 0.4 | 570 | 0.9 | 910 |
| Refueling: | | | | | | |
| Stage II and Onboard | 1.4 | 140 | 1.7 | 82 to 252 | 1.7 | 140 to 310 |
| Alternative Fuels | 0.2 | 0 | 0.2 | 300 | - | - |
| AREA SPECIFIC MEASURES | | | | | | |
| RACT to 50 tpy | - | - | - | - | 0.4 | 84 |
| New CTG | 3.4 | 430 | 4.4 | 620 | 4.7 | 490 |
| Enhanced I&M | 1.1 | 80 | 1.1 | 80 | 1.2 | 100 |
| Basic I&M | - | 75 | - | 75 | | |
| Ozone Transport Regions | * | * | * | * | - | 300 |
| PROGRESS REQUIREMENTS | | | | | | |
| Identifiable Controls | - | 260 | - | 63 | - | 97 |
| Assumed Controls | - | 2,300 | - | 2,200 | - | 2,400 |
| NATIONAL TOTALS | 44 | 6,400 (5,000 to 8,600) | 45 | 6,800 (5,500 to 9,000) | 48 | 7,900 (6,500 to 10,300) |
| RESIDUAL NONATTAINMENT AREAS | 4 | | 4 | | 4 | |

(1) Measures EPA will implement under other legislation
(2) Millions of dollars
(3) Percentage reductions in VOC emissions are estimated from nonattainment area totals or as a percentage of 1987 emissions in the areas where those measures are scheduled to be applied.

* Bill requires assessment to determine nature and extent of controls needed for transport. Additional controls are likely, but estimates are not available.

** Percentage reductions for progress requirements are not shown because they apply only to a limited number of areas.

Table 3
Comparison of Ozone Nonattainment Bills - 2005
(1/23/90)

| Measure | Original Administration %VOC(3) | Original Administration Cost(2) | House H.R.3030 Phase I Only *** %VOC(3) | House H.R.3030 Phase I Only *** Cost(2) | Senate S.1630 %VOC(3) | Senate S.1630 Cost(2) |
|---|---|---|---|---|---|---|
| Base Program | 8.6 | - | 8.6 | - | 8.6 | - |
| RVP I | 7.1 | - | 7.1 | - | 7.1 | - |
| NATIONAL STATIONARY | | | | | | |
| TSDF(1) | 4.0 | 1,800 | 4.0 | 1,800 | 4.0 | 1,800 |
| Municipal Landfills(1) | 0.6 | 69 | 0.6 | 69 | 0.6 | 69 |
| Cons./Comm. Solvents | 1.0 | 430 | 1.0 | 430 | 2.4 | 1,000 |
| Arch. Coatings | 1.5 | 0 | 1.5 | 0 | 1.5 | 0 |
| Marine Vessels | 0.1 | 51 | 0.1 | 51 | 0.1 | 51 |
| MOTOR VEHICLES/FUELS | | | | | | |
| RVP II | 8.2 | 280 | 8.2 | 280 | 8.2 | 280 |
| Evap/Running Losses | 3.5 | 68 | 3.5 | 68 | 3.5 | 68 |
| Tailpipe/Useful Life | 0.6 | 510 | 0.6 | 610 | 1.2 | 7,800 |
| Refueling: | | | | | | |
| Stage II and Onboard | 1.5 | 150 | 2.0 | 90 to 270 | 1.9 | 160 to 340 |
| Alternative Fuels | 0.9 | 0 | 0.4 | 300 | - | - |
| AREA SPECIFIC MEASURES | | | | | | |
| RACT to 50 tpy | - | - | - | - | 0.4 | 84 |
| New CTG | 3.4 | 420 | 4.6 | 630 | 4.9 | 520 |
| Enhanced I&M | 1.2 | 87 | 1.2 | 87 | 1.2 | 110 |
| Basic I&M | - | 82 | - | 82 | | |
| Ozone Transport Regions | * | * | * | * | - | 330 |
| PROGRESS REQUIREMENTS | | | | | | |
| Identifiable Controls | - | 280 | - | 70 | - | 100 |
| Assumed Controls | - | 4,900**** | - | 4,900**** | - | 7,000***** |
| NATIONAL TOTALS | 42 | 9,100 (6,200 to 13,900) | 43 | 9,600 (6,700 to 14,400) | 46 | 19,600 (15,500 to 26,400) |
| RESIDUAL NONATTAINMENT AREAS | 3 | | 3 | | 0 | |

(1) Measures EPA will implement under other legislation
(2) Millions of dollars
(3) Percentage reductions in VOC emissions are estimated from nonattainment area totals or as a percentage of 1987 emissions in the areas where those measures are scheduled to be applied.

* Bill requires assessment to determine nature and extent of controls needed for transport. Additional controls are likely, but estimates are not available.

** Percentage reductions are not shown for progress requirements because they apply only in a limited number of areas.

*** Assumes only phase I tailpipe standards are implemented

**** If the 4 severe areas meet less stringent EKMA estimated reductions for attainment, costs decrease by $270 ($110 to $540)

***** If the 4 Administration bill severe areas meet less stringent EKMA estimated reductions for attainment, costs decrease by $2,700 ($1,100 to $5,400)

Table 4
Comparison of Ozone Nonattainment Bills - 2010
(1/23/90)

| Measure | Original Administration %VOC(3) | Original Administration Cost(2) | House H.R.3030 Phase I Only *** %VOC(3) | House H.R.3030 Phase I Only *** Cost(2) | Senate S.1630 %VOC(3) | Senate S.1630 Cost(2) |
|---|---|---|---|---|---|---|
| Base Program | 2.9 | - | 2.9 | - | 2.9 | - |
| RVP I | 7.7 | - | 7.7 | - | 7.7 | - |
| NATIONAL STATIONARY | | | | | | |
| TSDF(1) | 4.0 | 1,900 | 4.0 | 1,900 | 4.0 | 1,900 |
| Municipal Landfills(1) | 0.6 | 71 | 0.6 | 71 | 0.6 | 71 |
| Cons./Comm. Solvents | 1.0 | 440 | 1.0 | 440 | 2.5 | 1,100 |
| Arch. Coatings | 1.6 | 0 | 1.6 | 0 | 1.6 | 0 |
| Marine Vessels | 0.1 | 55 | 0.1 | 55 | 0.1 | 55 |
| MOTOR VEHICLES/FUELS | | | | | | |
| RVP II | 8.8 | 310 | 8.8 | 310 | 8.8 | 310 |
| Evap/Running Losses | 4.3 | 72 | 4.3 | 72 | 4.3 | 72 |
| Tailpipe/Useful Life | 0.8 | 540 | 0.8 | 650 | 2.9 | 8,800 |
| Refueling: | | | | | | |
| Stage II and Onboard | 1.7 | 160 | 2.2 | 99 to 290 | 2.1 | 170 to 360 |
| Alternative Fuels | 1.4 | 0 | 0.6 | 300 | - | - |
| AREA SPECIFIC MEASURES | | | | | | |
| RACT to 50 tpy | - | - | - | - | 0.4 | 84 |
| New CTG | 3.6 | 430 | 4.8 | 650 | 5.1 | 530 |
| Enhanced I&M | 1.3 | 94 | 1.3 | 94 | 1.3 | 120 |
| Basic I&M | - | 88 | - | 88 | | |
| Ozone Transport Regions | * | * | * | * | - | 330 |
| PROGRESS REQUIREMENTS | | | | | | |
| Identifiable Controls | - | 280 | - | 78 | - | 110 |
| Assumed Controls | - | 7,800**** | - | 7,900**** | - | 8,500***** |
| NATIONAL TOTALS | 40 | 12,200 (7,600 to 20,100) | 41 | 12,900 (8,200 to 20,800) | 44 | 22,300 (17,300 to 30,900) |
| RESIDUAL NONATTAINMENT AREAS | 0 | | 0 | | 0 | |

(1) Measures EPA will implement under other legislation
(2) Millions of dollars
(3) Percentage reductions in VOC emissions are estimated from nonattainment area totals or as a percentage of 1987 emissions in the areas where those measures are scheduled to be applied.

* Bill requires assessment to determine nature and extent of controls needed for transport. Additional controls are likely, but estimates are not available.

** Percentage reductions are not shown for progress requirements because they apply only in a limited number of areas.

*** Assumes only Phase I tailpipe standards are implemented

**** If the 4 severe areas meet less stringent EKMA estimated reductions for attainment, costs decrease by $1,900 ($770 to $3,800)

***** If the 4 Administration bill severe areas meet less stringent EKMA estimated reductions for attainment, costs decrease by $3,700 ($1,500 to $7,500)

# ACID RAIN COMPARISON

## ADDITIONAL ACID RAIN PROVISION AND COST COMPARISON

**Low Base Case Flexible to High Base Case Flexible Scenarios**

| | 1995 | | 2005 | |
|---|---|---|---|---|
| | Administration | Senate | Administration | Senate |
| Utility SO2 (millions tons reduced from 1980 baseline) | -4.1 to -2.8 | -3.8 to -2.7 | -8.6 to -8.2 | -8.4 to -8.6 |
| Utility NOx (millions tons) | -0.02 | -0.1 | -2.0 to -2.1 | -2.1 to -2.1 |
| Retrofit Scrubber Capacity (gigawatts) | +0.4 to +0.5 | -- | +15.0 to +22.0 | +14.5 to +34.1 |
| Coal Production (millions of tons) | | | | |
| N. Appalachia | -16 to -23 | -16 to -23 | -37 to -35 | -28 to -35 |
| Midwest | -32 to -32 | -27 to -29 | -56 to -50 | -55 to -49 |
| C&S Appalachia | +33 to +41 | +39 to +43 | +59 to +46 | +50 to +47 |
| West | +10 to +11 | + 5 to + 7 | +31 to +39 | +29 to +34 |
| Total U.S. | - 4 to - 3 | 0 to -2 | - 3 to 0 | - 4 to - 2 |

* The NOx reduction requirements are about 0.2 to 0.5 million tons greater in 2005 than in the Administration bill. This chart reflects the projections that utilities will comply by substituting SO2 reductions (at a 1.5 to 1 trading ratio) for part of the NOx reduction requirement.

# AIR TOXICS COST DETAILS

## UPDATED AIR TOXICS COST COMPARISON

Net Annualized Cost by 1995 (million 1989$)

### PHASE I TECHNOLOGICAL CONTROL COSTS

| Source Category | Administration[3] | | S. 816 | |
|---|---|---|---|---|
| | Range | Best Estimate | Range | Best Estimate |
| Major Stationary | 505-1,364 | 935 | 505-1,365 | 935 |
| Utility Boilers | 0 | 0 | 750-2,585 | 1,668 |
| Area Sources | 30 - 119 | 75 | 0 | 0 |
| Mobile Sources | 0 | 0 | 0 | 0 |
| **MONITORING, ACCIDENTAL RELEASE, DETECTION** | | | | |
| Urban Monitoring | NA | 0 | 87 | 87 |
| Leak Detection | NA | 0 | 0 | 0 |
| Accidental Release | NA | 0 | 336-672 | 504 |
| **RESIDUAL RISK COSTS** | | | | |
| Residual Risk | NA | 0 | NA | 0 |
| TOTAL - - - - | $535-$1,483 | $1,010 | $1,678-$4,709 | $3,194 |

[3] Original Administration bill and House (H.R. 3030 as reported) have same 1995 costs.

## UPDATED AIR TOXICS COST COMPARISON

### Net Annualized Cost by 2003 (million 1989$)

| Source Category | Administration[2] Range | Administration[2] Best Estimate | S. 816 Range | S. 816 Best Estimate |
|---|---|---|---|---|
| **PHASE I TECHNOLOGICAL CONTROL COSTS** | | | | |
| Major Stationary | 805-3,388 | 2,097 | 882-3,468 | 2,175 |
| Utility Boilers | 0-2,585 | 750 | 750-2,585 | 1,668 |
| Area Sources | 120 - 475 | 298 | 120 - 475 | 298 |
| Mobile Sources | 0-3,010 | 1,505 | 0-3,000 | 1,500 |
| **MONITORING, ACCIDENTAL RELEASE, DETECTION** | | | | |
| Urban Monitoring | NA | 0 | 87 | 87 |
| Leak Detection | NA | 0 | 2,000 | 2,000 |
| Accidental Release | 42 - 126 | 84 | 336-672 | 504 |
| Subtotal - - - - | 967-9,584 | 4,734 | 7,155-12,287 | 8,232 |
| **RESIDUAL RISK COSTS** | | | | |
| Unreasonable Risk | 0 - 5,100 | 1,500 | NA | |
| 1 x 10-4 Bright-Line & 1 x 10-6 Risk Goal[3] | NA | | 5,100-6,900 | 6,000 |
| TOTAL - - - - | $967-$14,684 | $6,234 | $12,255-$19,187 | $14,232 |

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[2] Administration bill as amended in the House. Original Administration bill best cost estimate is $4,729 ($967 - $11,674). Difference due to no mobile source toxic control costs attributed to original Administration bill.

[3] See Residual Risk additional cost note on page 7 above.

## CLEAN AIR ACT

I. Summary of Major Differences Between Senate Environment and Public Works Committee (EPW) Bill and Administration Bill

### Non-Attainment: Stationary Sources

- EPW bill reduces definition of "major source" from 100 tons per year to 25 tons per year in many cases, 10 tons per year in L.A. Affects thousands of small businesses.
- EPW bill eliminates "netting" and requires higher offsets to expand plants.
- EPW bill has over $700M in "fees." Administration bill has $300M in fees to pay for program.
- EPW bill has mandatory Federal Implementation Plans (FIPS)
- EPW bill would require all employers of over 100 people in 10 largest cities to reduce drivers to work by 25%, or pay $50.00 per month for each free parking space.
- EPW bill requires 4% "annual progress"; Administration bill requires 3%.

### Non-Attainment: Mobile Sources

- EPW bill have 2nd phase tailpipe for VOC's and NOx that could cost an additional $8 billion.
- EPW bill has no alternative fuels provision.
- EPW bill requires on-board refueling cannisters.
- EPW bill has CO2 tailpipe standards equal to 33mpg CAFE in 1996, 40mpg CAFE in 2000.

Air Toxics

- EPW bill contains inflexible risk-based second phase at 10 (-4) with goal of 10 (-6); Administration bill would prevent "unreasonable risk" in second phase.

- EPW bill would apply air toxics control to electric utilities.

- EPW bill would require extensive leak monitoring equipment and reporting that will cost an additional $2 billion.

- EPW bill requires MACT for all sources; could require non-cost-effective controls.

Acid Rain

- EPW bill contains no regulatory incentives for clean coal technology.

- EPW bill requires greater NOx reductions.

- EPW bill requires mandatory conservation measures at Federal facilities.

- EPW bill deadlines are one year earlier.

Other

- EPW bill contains unilateral phaseout of CFC's and extension of Montreal Protocol to new chemicals.

II. Additional Points

- Administration remains opposed to "cost-sharing" or electricity tax on acid rain.

- Administration believes trading system must survive in workable form in any final bill.

THE WHITE HOUSE

WASHINGTON

January 19, 1990

Dear Senator Dole:

Last July I submitted to the Congress a comprehensive proposal for reauthorizing and strengthening the Clean Air Act. That proposal was the result of a long and careful debate within the Administration, and reflected extensive consultation with Members of the House and Senate, representatives of affected industries, state and local governments, and environmental and public health groups.

Consistent with my belief that environmental protection and economic growth can be compatible, the Administration's Clean Air bill seeks to achieve public health and environmental protection in an economically efficient way by making extensive use of market principles. My comprehensive proposal carefully balanced our mutual desire for enhanced public health, a cleaner environment, and sustained economic growth. Even so, the cost estimate of the Administration's bill to the American economy is approximately $19 billion annually when fully phased-in.

As the Senate moves toward floor consideration of the Clean Air Act, I am convinced that we must maintain the balance reflected in the Administration's bill. Initial cost estimates of the Clean Air bill reported by the Senate Environment and Public Works Committee exceed $40 billion annually -- more than double the cost of the Administration's bill. Yet the Committee bill provides little incremental environmental benefit above that proposed by the Administration. And the additional costs of some of the Committee bill's far-reaching provisions have yet to be incorporated in these estimates.

I want to sign a Clean Air bill this year -- so that the 1990s can indeed be known as the "Clean Air decade." But I will only sign legislation that balances environmental <u>and</u> economic progress.

Specifically, I will only approve legislation which meets the following minimum tests of balance and reasonableness:

1.) The important environmental protections afforded by the Administration's bill must be maintained in the final legislation and preserved over time. The Administration proposes to: reduce sulfur dioxide emissions permanently by 10 million tons; achieve attainment of ozone, carbon monoxide and particulate matters standards; and sharply curtail the hazards posed by air toxics emissions. These represent critically important steps in achieving clean and healthy air for all Americans. In view of the environmental and health risks posed by acid rain; the fact that 100 million Americans now live in cities which are out of attainment with public health standards for ozone; and the estimate that current excessive levels of air toxics emissions may result in premature cancer deaths and other serious adverse health effects; it is vital that we move quickly and decisively to reduce these pollutants. The Administration's proposed bill would do just that.

2.) The bill should not impose aggregate costs on the economy that exceed the already considerable costs embodied in the Administration's bill -- with an adjustment of no more than ten percent to reflect certain mobile source provisions added in the House Energy and Commerce Subcommittee on Health and the Environment. The House subcommittee added certain provisions affecting mobile sources to the titles of the bill which relate to non-attainment that will modestly increase the cost of these titles. Unfortunately, several provisions currently contained in the Senate Environment and Public Works Committee's bill -- such as mandatory nationwide second phase tailpipe standards for automobiles, an inflexible second phase of air toxics control, and carbon dioxide emissions standards for mobile sources -- cause the Senate bill to exceed substantially the cost of the Administration bill. The result of an excessively costly bill will be a less competitive American economy with fewer jobs for American workers.

The Administration has received letters from around the country, for example, indicating that a considerable number of plant closings could result from adoption of the Senate's air toxics provisions. The Administration has set up a task force under the chairmanship of the Council of Economic Advisers, and including the Environmental Protection Agency, the Office of Management and Budget, the Department of Energy, and the White House Office of Policy Development, to monitor and estimate the economic cost of various clean air proposals as the debate proceeds.

3.) Controls in the bill should be designed to achieve reductions in the most cost-efficient way -- that is, for the least cost per ton of reduced pollutant. By incorporating flexibility and innovation in its recommended control strategies, the Administration's bill would allow environmental and health standards to be met in a way that creates maximum choice for both states and regulated industries and places fewer burdens on consumers. For example, the Administration's alternative fuels proposal will challenge the automobile and oil industries to produce cleaner vehicles and cleaner fuels at the lowest cost to the consumer.

The "command and control" approach embodied in several provisions of the Environment and Public Works Committee's bill -- such as that which disallows "netting" for factories and commercial facilities seeking to meet ozone non-attainment standards in the most cost-effective way -- results in the same environmental benefit, but at greatly increased cost and with sharply increased impediments to economic growth. Similarly, the provisions in the Environment and Public Works Committee's bill which move up emissions reduction deadlines while failing to provide incentives for clean coal technology needlessly inflate the cost of acid rain control.

4.) The system of emissions trading, which allows acid rain reductions to be achieved in the least costly and most equitable fashion, must be allowed to work. The Administration's proposed acid rain emissions trading program inherently reduces the cost of any given level of sulfur dioxide or nitrogen oxide reduction, and provides an efficient mechanism for balancing the burdens imposed on any given region of the country. The Administration has provided information to several Senators which indicates that this trading system can dramatically reduce the impact of acid rain controls on electric utility rates in any given state, while at the same time reducing the cost of the overall bill by up to billions of dollars per year. In the first phase, the initial allocation of required reductions to 107 plants is essential to ensuring that effective trading opportunities exist. The trading system must survive in a form that achieves environmental benefits comparable to those in the Administration's bill and involves a sufficient number of plants in the first phase to ensure its workability.

5.) The legislation must not include a national electricity tax to pay for controls, which would penalize consumers in those states which have already undertaken reductions by making them in effect "pay twice" for clean air. Supporters of such "cost sharing" argue that it is needed to address regional inequities. Any imbalance in control costs can be addressed far more effectively, efficiently, and equitably through the operation of a robust emissions trading system -- which would not require new taxes.

The Administration took substantial time and effort to craft a balanced proposal. My staff and I stand ready to assist you and the other Members of both the House and Senate as you work to develop legislation which maintains this vitally important balance, and which does not violate one or more of the above mentioned "tests."

I look forward to signing legislation that will accelerate progress toward cleaner air for a growing America at the earliest possible opportunity.

Sincerely,

George Bush

The Honorable Robert Dole
Republican Leader
United States Senate
Washington, D.C. 20510

GEORGE J. MITCHELL
MAINE

United States Senate
Office of the Majority Leader
Washington, DC 20510-7010

January 16, 1990

Dear Colleague:

The Senate reconvenes at 12 noon on Tuesday, January 23. As previously announced, the Senate will begin consideration of S. 1630, the Clean Air Act reauthorization on that day. There may be roll call votes in connection with this legislation beginning on Tuesday and continuing on Wednesday and Thursday.

The leadership of the House of Representatives plans to take up the President's veto of H.R. 2712, the Chinese students legislation, on Wednesday, January 24. If the veto is overridden by the House, the Senate will consider the matter as soon as possible thereafter. It is not possible to precisely predict the time of this vote, but Senators should be aware of the possibility of a veto override vote on Wednesday, January 24 or Thursday, January 25.

I look forward to working with you during the Second Session of the 101st Congress.

Sincerely,

George

George Mitchell

January 16, 1990

TO: Senator Lugar

FROM: Andy Semmel

RE: Senate List for White House Meeting on China

Here is a possible list of Senators that might be amenable to listening to the President's explanation of his actions on China sanctions and on the Chinese visa extention. I looked at a number of factors to develop the list: votes on key China legislation; general willingness to vote with the President when needed; feedback from State Department on their survey; and the attached letter on the immigration issue.

It may make more sense to invite only Republicans, since the vote will likely be a partisan issue. Nonetheless, I included some possible Democrats.

| Republicans | Democrats |
|---|---|
| Lugar | Cranston |
| Kassebaum | Biden |
| Boschwitz | Dodd |
| Murkowski | Sanford |
| Dole | Robb |
| Simpson | Boren |
| Chafee | Nunn |
| Cochran | Rockefeller |
| Domenici | Graham |
| Rudman | Lieberman |
| Warner | Conrad |
| Hatfield | |
| Packwood | |
| Thurmond | |
| Bond | |
| McCain | |
| Coats | |
| D'Amato | |
| Heinz | |
| Specter | |
| Roth | |
| Durenberger | |
| Stevens | |

# SENATE RECORD VOTE ANALYSIS—TEMPORARY

101st Congress
1st Session

**Vote No. 280**

November 1, 1989, 11:19 a.m.
Page S-14482 (Temp. Record)

## COMMERCE-JUSTICE-STATE APPROPRIATIONS/China Sanctions

SUBJECT: Conference Report to the Commerce, Justice, State, Judiciary, and Related Agencies Appropriations Bill, FY 1990 . . . H.R. 2991. Hollings motion to table the Helms amendment No. 1076 to the Senate amendment in disagreement No. 182.

## ACTION: MOTION TO TABLE AGREED TO, 53-45

SYNOPSIS: A pertinent votes on this legislation include Nos. 218-221 and 278.

As reported by the conferees, H.R. 2991 appropriates for FY 1990 a total of $17.25 billion for the following agencies:

- Department of Commerce........ $3.53 billion
- Department of Justice.............. $6.28 billion
- Department of State................. $3.09 billion
- Judiciary.................................... $1.73 billion
- Related Agencies....................... $2.85 billion.

The Senate amendment in disagreement No. 182 would prohibit U.S.-built satellites from being sent into space on Soviet- or Chinese-built launch vehicles. The amendment would prohibit the bill's funds from being used for export license applications to launch U.S.-built satellites on Soviet or Chinese-built launch vehicles unless the President first reports to Congress that the Chinese government has made progress on a political reform program. The President's report must show that the Chinese government has: 1) lifted martial law; 2) halted executions and reprisals against nonviolent protesters; 3) released political prisoners; 4) increased respect for human rights, including the freedom of expression, the press, assembly and association; and 5) permitted a freer flow of information to and from China.

The Helms amendment, to the Senate amendment in disagreement, would add several provisions. The amendment would condemn the government of the People's Republic of China for carrying out massive arrests and numerous executions of students and workers who participated in the prodemocracy movement in China. It would also commend the President for taking measures against the government of China and would urge additional measures be taken to discourage future Chinese human rights violations.

(See other side)

### YEAS (53)

**Republicans (14 or 32%)**

Bond
Chafee
Cochran
Cohen
D'Amato
Dole
Durenberger
Hatfield
Heinz
Lugar
Rudman
Simpson
Specter
Stevens

**Democrats (39 or 72%)**

Adams
Baucus
Bentsen
Biden
Bingaman
Boren
Breaux
Burdick
Byrd
Conrad
Cranston
Daschle
Dodd
Exon
Fowler
Gore
Hollings
Inouye
Johnston
Kennedy
Kerrey
Kerry
Kohl
Leahy
Levin
Matsunaga
Metzenbaum
Mikulski
Mitchell
Moynihan
Nunn
Pell
Riegle
Robb
Rockefeller
Sanford
Sarbanes
Sasser
Wirth

### NAYS (45)

**Republicans (30 or 68%)**

Armstrong
Boschwitz
Burns
Coats
Danforth
Domenici
Garn
Gorton
Gramm
Grassley
Hatch
Helms
Humphrey
Jeffords
Kassebaum
Kasten
Lott
Mack
McCain
McClure
McConnell
Murkowski
Nickles
Packwood
Pressler
Roth
Symms
Thurmond
Warner
Wilson

**Democrats (15 or 28%)**

Bradley
Bryan
Bumpers
DeConcini
Dixon
Ford
Glenn
Graham
Harkin
Heflin
Lieberman
Pryor
Reid
Shelby
Simon

### NOT VOTING (2)

**Republicans (1)**

Wallop—2AN

**Democrats (1)**

Lautenberg—4

**EXPLANATION OF ABSENCE:**

1—Official Business
2—Necessarily Absent
3—Illness
4—Other

**SYMBOLS:**

AY—Announced Yea
AN—Announced Nay
PY—Paired Yea
PN—Paired Nay

Compiled and written by the staff of the Senate Republican Policy Committee
William L. Armstrong, *Chairman*

The Helms amendment would also express the sense of the Senate that:

- The Export-Import Bank of the United States should immediately postpone approval of any application for financing U.S. exports to China;
- The U.S. should oppose the extension of loans or any financial assistance to China;
- The President should immediately review the advisability of: 1) continuing to extend most-favored-nation (MFN) trade treatment to Chinese products; 2) all bilateral trade agreements between the U.S. and China; and 3) the bilateral commercial agreements governing Chinese-American cooperation on satellite launches and atomic energy;
- The President should consult with U.S. allies regarding the feasibility of adopting a collective economic response to the recent tragic events in China; and
- The President should emphasize to the Chinese government the importance of recognizing the Chinese and Tibetan peoples' legitimate desires for democracy, human rights, and justice.

During floor debate, Senator Hollings moved to table the Helms amendment and asked for the yeas and nays. The motion to table was not debatable, however some debate preceded the making of the motion. Generally, those favoring the motion to table opposed the amendment; those opposing the motion favored the amendment.

---

NOTE: The conference report to H.R. 2991 was later adopted by voice vote.

Those favoring the motion to table contended:

Although we agreed with the original Mitchell-Dole amendment to the State Department Authorization Bill, S. 1160, we must now oppose the similar Helms amendment. It is late in the year and we cannot afford to send this bill back to conference.

We voted in favor of this legislation when it was added to the State Department Authorization bill because we heartily agreed with the need to impose sanctions against the Chinese government for their disgraceful treatment of the Tiananmen Square protesters. However, we must not add a foreign relations amendment to a Commerce-Justice-State bill. We must vote to table this amendment today, not because it is a bad piece of legislation, but because the conference report to the Commerce-Justice-State appropriations bill is not the proper vehicle for it.

Those opposing the motion to table contended:

The language in this amendment, originally sponsored by Senators Mitchell and Dole, was approved by the Senate when we adopted the State Department Authorization bill. The amendment is a package of sanctions against the Chinese government for their brutal oppression of the prodemocracy movement. We want to impose these sanctions to show the Chinese government that the Congress opposes their treatment of the young Tiananmen Square protesters.

The Communist Chinese government in Beijing wants us to believe that the Tiananmen Square massacre was just an unfortunate tragedy whose ill-effects have all disappeared. We, on the other hand, believe the scars of Tiananmen Square will remain permanently. They will remain in the hearts of the Chinese people and Americans alike. In fact, we have just heard that the Chinese Communist police in Beijing are terrorizing the children of U.S. diplomats in China by pointing their unloaded rifles at them. In addition, there have been several complaints of slashed tires and other forms of harassment to American-owned vehicles in Beijing.

Almost five months have elapsed since the Tiananmen Square massacre and we have done nothing. The Chinese government is getting the impression that the U.S. Congress has forgotten about the tragedy. If we do not take action against the Chinese Communists for their suppression of the prodemocracy movement, we run the risk of being unfaithful to the democratic principles under which we live every day. We must support this amendment to show the surviving leaders of the democracy movement in China that we have not forgotten them.

# SENATE RECORD VOTE ANALYSIS

101st Congress
1st Session

**Vote No. 118**

July 14, 1989, 1:33 p.m.
Page S-7977 (Temp. Record)

## FOREIGN RELATIONS AUTHORIZATION/China, Sanctions

SUBJECT: **Foreign Relations Authorization Act, FY 1990 . . . S. 1160. Mitchell-Dole amendment No. 271.**

## ACTION: AMENDMENT AGREED TO, 81-10

SYNOPSIS: Pertinent votes on this legislation include Nos. 118-127, 129-136, and 138-139.

As reported from the Committee on Foreign Relations, S. 1160 provides a total authorization of $4.67 billion for the State Department, the United States Information Agency, the Board for International Broadcasting, and other agencies.

The Mitchell-Dole amendment would condemn the government of the People's Republic of China for carrying out massive arrests and numerous executions of students and workers who participated in the prodemocracy movement in that country. The amendment would also commend the President for taking measures against the government of China in response to those arrests and executions, and would urge additional measures be taken to discourage additional arrests and executions.

The amendment states that it is the sense of the Senate that:

- The Export-Import Bank of the United States should immediately postpone approval of any application for financing United States exports to the People's Republic of China;
- The President should immediately review the advisability of continuing to extend most-favored-nation (MFN) trade treatment to Chinese products; and
- The President should consult with the allies of the United States at the upcoming Economic Summit regarding the feasibility of adopting a collecitve economic response to the recent tragic events in China.

Those favoring the amendment contended:

This amendment does three important things. First, it demonstrates our revulsion at the brutal oppression imposed on those freedom-loving Chinese students whose aspirations--and in many cases whose bodies--were crushed in the communist crackdown on June 4 of this year.

(See other side)

| YEAS (81) | | | | NAYS (10) | | NOT VOTING (9) | |
|---|---|---|---|---|---|---|---|
| Republicans (33 or 80%) | | Democrats (48 or 96%) | | Republicans (8 or 20%) | Democrats (2 or 4%) | Republicans (4) | Democrats (5) |
| Boschwitz | Kasten | Adams | Johnston | Bond | Boren | Armstrong—2 | Bumpers—2 |
| Burns | Lott | Baucus | Kerrey | Chafee | Conrad | Danforth—2 | Burdick—2 |
| Coats | Mack | Bentsen | Kerry | Cochran | | Jeffords—2 | Kennedy—2 |
| Cohen | McCain | Biden | Kohl | Durenberger | | Simpson—2 | Matsunaga—3 |
| D'Amato | McClure | Bingaman | Lautenberg | Lugar | | | Mikulski—4AY |
| Dole | McConnell | Bradley | Leahy | Rudman | | | |
| Domenici | Murkowski | Breaux | Levin | Specter | | | |
| Garn | Nickles | Bryan | Lieberman | Stevens | | | |
| Gorton | Packwood | Byrd | Metzenbaum | | | | |
| Gramm | Pressler | Cranston | Mitchell | | | | |
| Grassley | Roth | Daschle | Moynihan | | | | |
| Hatch | Symms | DeConcini | Nunn | | | | |
| Hatfield | Thurmond | Dixon | Pell | | | | |
| Heinz | Wallop | Dodd | Pryor | | | | |
| Helms | Warner | Exon | Reid | | | | |
| Humphrey | Wilson | Ford | Riegle | | | | |
| Kassebaum | | Fowler | Robb | | | | |
| | | Glenn | Rockefeller | | | | |
| | | Gore | Sanford | | | | |
| | | Graham | Sarbanes | | | | |
| | | Harkin | Sasser | | | | |
| | | Heflin | Shelby | | | | |
| | | Hollings | Simon | | | | |
| | | Inouye | Wirth | | | | |

**EXPLANATION OF ABSENCE:**

1—Official Business
2—Necessarily Absent
3—Illness
4—Other

**SYMBOLS:**

AY—Announced Yea
AN—Announced Nay
PY—Paired Yea
PN—Paired Nay

Compiled and written by the staff of the Senate Republican Policy Committee
William L. Armstrong, *Chairman*

Second, it fulfills our obligation to those who yearn for liberty in China, and other countries suffering under the tyranny of communism. If we do nothing, we will be aiding the enemies of freedom and democracy--the unrepentant Stalinists in Cuba, Vietnam, Nicaragua, and Eastern Europe who are willing to endure a short period of censurship from the West, and then get back down to business-as-usual.

Third, it sends a message of encouragement to the suriving leaders of democracy still carrying on the fight in China. We have recently received a copy of an open letter addressed to 30 heads of state delivered in Paris on July 12. The letter, from the top leadership of the Chinese democratic movement, calls for the Free World to impose economic sanctions on China. This amendment is a direct answer to their call.

**No arguments were expressed in opposition to the amendment.**

# SENATE RECORD VOTE ANALYSIS

101st Congress
1st Session

**Vote No. 104**

July 11, 1989, 5:03 p.m.
Page S-7638 (Temp. Record)

## IMMIGRATION BILL/Chinese Students

SUBJECT: **Immigration Act of 1989 . . . S. 358. Mitchell/Dole et al. amendment No. 239.**

### ACTION: AMENDMENT AGREED TO, 97-0

SYNOPSIS: A pertinent vote on this legislation includes No. 104 & 106-117.

As reported, S. 358 places a cap of 600,000 for all new permanent immigrants (except refugees and asylees and certain others) for each of three years following enactment of the bill. Approximately 480,000 of these slots are reserved for immigrants with family connection visas and 120,000 for a new category of "independent immigrants." Through the new independent category, the bill makes visas available to persons whose skills are in short supply in the U.S. and people from countries unable to use current system because they do not have family in the United States. The bill also transfers the naturalization proceedings from judges to administrative officers and requires the Administration to report annually to Congress on the impact of immigration and every three years regarding changes in numerical levels of immigration.

The Mitchell et al. amendment would allow Chinese students to remain in the United States pending the resolution of the civil conflict in China. The amendment would allow the students to remain in the U.S. at least through June 5, 1990 and possibly through June 5, 1992, depending on when or if the President determines that it is safe for them to return to their homeland. The amendment would also grant authorization for any national of the People's Republic of China who applies for adjustment of status or change of nonimmigration status to engage in employment in the United States.

Those favoring the amendment contended:

Since the massacre of Chinese students in Tiananmen Square last month, we have been made aware of the plight of the 40,000 Chinese students studying here in the United States. These students, many of whom have voiced their support for the protesting students in China during the civil crisis, are faced with the prospect of returning to their homeland as outlaws, subject to arrest and perhaps even execution as traitors to their totalitarian government.

(See other side)

**YEAS (97)**

| Republicans (43 or 100%) | | Democrats (54 or 100%) | |
|---|---|---|---|
| Armstrong | Kasten | Adams | Inouye |
| Bond | Lott | Baucus | Johnston |
| Burns | Lugar | Bentsen | Kennedy |
| Chafee | Mack | Biden | Kerrey |
| Coats | McCain | Bingaman | Kerry |
| Cochran | McClure | Boren | Kohl |
| Cohen | McConnell | Bradley | Lautenberg |
| D'Amato | Murkowski | Breaux | Leahy |
| Danforth | Nickles | Bryan | Levin |
| Dole | Packwood | Bumpers | Lieberman |
| Domenici | Pressler | Burdick | Metzenbaum |
| Durenberger | Roth | Byrd | Mikulski |
| Garn | Rudman | Conrad | Mitchell |
| Gorton | Simpson | Cranston | Moynihan |
| Gramm | Specter | Daschle | Nunn |
| Grassley | Stevens | DeConcini | Pell |
| Hatfield | Symms | Dixon | Pryor |
| Heinz | Thurmond | Dodd | Reid |
| Helms | Wallop | Exon | Riegle |
| Humphrey | Warner | Ford | Robb |
| Jeffords | Wilson | Fowler | Rockefeller |
| Kassebaum | | Glenn | Sanford |
| | | Gore | Sarbanes |
| | | Graham | Sasser |
| | | Harkin | Shelby |
| | | Heflin | Simon |
| | | Hollings | Wirth |

**NAYS (0)**

| Republicans (0 or 0%) | Democrats (0 or 0%) |
|---|---|
| | |

**NOT VOTING (3)**

| Republicans (2) | Democrats (1) |
|---|---|
| Boschwitz—2 | Matsunaga—2 |
| Hatch—2 | |

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Compiled and written by the staff of the Senate Republican Policy Committee
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In response to their dilemma, the Administration instituted a delayed departure program, which allows the students to remain in the U.S. an additional year after their visas expire. Unfortunately for the students, this partial solution has two shortcomings. First, it only delays by one year a student's eventual return to China. Second, it requires those students taking advantage of the deferral to go on record saying they do not wish to return to their homeland, an act which will be interpreted unfavorably by the Chinese government.

We hope to solve those two problems with the pending amendment. Our amendment would allow Chinese students to remain in the U.S. at least until June 5, 1990, and possibly until June 5, 1992, depending on when the President determines that it is safe for them to return to China. We believe this solution will be the most flexible, permitting students to remain in the United States until the conflict in China has subsided without requiring them to declare openly their wish to stay out of China.

Considering the Chinese government's widespread persecution of prodemocracy student demonstrators, this legislation is necessary to ensure the safety of those Chinese students studying in the United States. It is in keeping with our ideals of freedom and self-determination and should be supported by the entire Senate.

No arguments were expressed in opposition to the amendment.

Copy to RGY Andy

# COMPARISON OF THE EMERGENCY CHINESE IMMIGRATION RELIEF ACT WITH THE RELIEF PROVIDED ADMINISTRATIVELY TO CHINESE ALIENS

The following comparison of the provisions of the Emergency Chinese Immigration Relief Act of 1989 (the "bill") with the analogous actions taken by the Administration demonstrates that, in each instance, the Administration has afforded relief to students and other Chinese aliens equivalent to, or greater than, the relief provided by the bill.

1. Waiver of Foreign Residence Requirement of Section 1182(e)

The bill would have provided for the waiver of the foreign residence requirement of 8 U.S.C. §1182(e) for Chinese students present in the United States on the date of enactment who filed nonfrivolous applications for adjustment or any change of nonimmigrant status within four years (i.e., through November 30, 1993, had the President signed the bill).

The Attorney General has waived this requirement for all Chinese aliens present in the United States as of December 1, 1989. This waiver is irrevocable. Any such alien who makes a nonfrivolous application for adjustment or any change of status may avail himself of the waiver until January 1, 1994. Thus, the Administration has provided adjustment relief superior to that provided by the bill.

2. Presumption of Continuous Residence

The bill would have provided that, for the purposes of any adjustment or change of nonimmigrant status, a Chinese alien present in the United States in the lawful status of a nonimmigrant as of June 5, 1989, be considered to have continuously maintained lawful status for the period during which the Attorney General has in effect a deferral of enforced departure for Chinese nationals.

The Attorney General has directed that Chinese aliens who were in lawful status as of June 5, 1989, be considered to have maintained lawful status for the purposes of adjustment or change of nonimmigrant status. Thus, the Administration has provided relief equivalent to that provided by the bill.

3. Employment Authorization

The bill would have provided that certain Chinese aliens present in the United States in the lawful status of nonimmigrants on June 5, 1989, be granted authorization to engage in employment in the United States for the period during which the Attorney General has in effect a deferral of enforced departure for Chinese nationals.

The Attorney General has directed that the Immigration and Naturalization Service ("INS") grant all Chinese aliens who were present in the United States as of June 5, 1989, the necessary authorization to engage in employment. Thus, the Administration has provided employment opportunities <u>beyond</u> those afforded by the bill.

4. <u>Notification</u>

The bill would have directed the Attorney General to provide notice of expiration of nonimmigrant status to Chinese aliens whose authorized period of stay had expired and who were eligible for deferral of enforced departure. Such notice was to be nonadversarial in nature and was to explain the options available.

The Attorney General has directed that any Chinese aliens who are eligible for deferral of enforced departure and whose authorized period of stay has expired be given notice of expiration of nonimmigrant status. This notice will be nonadversarial in nature and will explain the options available. Thus, the Administration has provided for notification equivalent to that required by the bill.

5. <u>Asylum, Withholding of Deportation, and Refugee Status</u>

The bill would have required that, with respect to applications from Chinese nationals for asylum, withholding of deportation, and refugee status, careful consideration be given to applicants expressing a fear of persecution based on China's "one couple, one child" family planning program. Under the bill, an applicant would have been considered to have established a well-founded fear of persecution if the applicant could establish that he or she had refused to abort or to be sterilized in accordance with the Chinese program. The bill would have provided that all other factors (such as overt political activities, membership in an ethnic or religious minority, and family background and history) that might contribute to a determination of eligibility for asylum, withholding of deportation, and refugee status, be given additional weight in such determinations, and would have directed the Attorney General to promulgate implementing regulations.

The Attorney General has directed that, with respect to <u>all</u> applications for asylum, withholding of deportation, and refugee status, careful consideration be given to applicants expressing fear of persecution related to family planning policies of forced abortion or sterilization. If an applicant establishes that the applicant has refused to abort or to be sterilized, he or she will be considered to have established a well-founded fear of persecution. All other factors that may contribute to a determination of eligibility for asylum, withholding of deportation, and refugee status, are also to be given additional weight in such determinations. The Attorney General has ordered INS to promulgate any necessary implementing regulations. Thus, the Administration has provided broader relief than the bill to persons fearing coercive family planning policies, as its directive extends to <u>all</u> applicants, not just Chinese aliens.

Lugar:

Staff short on Comm. ∴ need NSC backups

Protocol —
Leadership meetings

Extend the Onion Layer
or get word out.

When Collapse —
Eagleburger —

Shuffle war —

---

good meeting Dole etc —

Need an idea of Defense Policy

MARY ELLEN JOYCE

1/16

Governor:

Attached is the information you requested at last week's meeting.

Look forward to seeing you at Waterville!

## CLEAN AIR: MOBILE SOURCES

The auto and oil industries are working together on a number of mobile source provisions. Both believe the House bill to be less extreme and are actively working to prevent it from deteriorating.

o Alternative Fuels

In the House subcommittee, both sought to refine the Administration's program to establish a level playing field. Both supported Hall-Fields; this approach results in the same emission reductions as the President's program.

Since the Senate bill has no alternative fuels program, the auto industry has concentrated on opposing the second phase tailpipe standards and the oil industry on opposing the 3.1% minimum oxygen content.

Rep. Dingell supported Hall-Fields to ensure their votes on the rest of the Administration's bill. A narrow margin is anticipated in full committee.

o Second Phase Tailpipe Reductions

The auto industry strongly opposes the tighter second phase tailpipe standard in the Senate because it is mandatory. The oil industry's position is compatible in advocating an advance planning process to evaluate the effectiveness and cost of various control measures. In this process, the impact of the first phase reduction could be assessed before a tighter second phase standard was adopted. However, to the extent that the auto industry may come to view a mandatory alternative fuels program as a substitute for the second phase standard, disagreement between the two industries is likely. Some members of the Senate are interested in such a trade, but the auto industry has not indicated a willingness to accept it.

Most companies in the oil industry oppose the addition of an alternative fuels amendment in the Senate, but will have to evaluate the votes to determine whether support of a provision similar to Hall-Fields would be the best way to deal with this issue on the Senate floor. Some companies currently believe this would be a wise approach.

o $CO_2$ Emissions Fee

Because of the close relationship between $CO_2$ emissions and vehicle mileage, this type of standard is equivalent to tightening the corporate average fuel economy (CAFE) standard for vehicles. Therefore, the oil and auto industries will coordinate on a major effort to oppose this provision and to seek a floor amendment in the Senate to delete it. The principal sponsor is not yet identified.

o Onboard Refueling Canister

This is one area where the auto and oil industries have different views. The auto industry prefers Stage II controls and the oil industry continues to believe that onboard controls are more cost-effective. The oil industry, however, is not lobbying this issue intensively. It is important to recognize that canisters and Stage II are redundant control measures; only one such measure -- the most cost-effective -- should be required.

Conclusion

Until the acid rain (cost sharing) issue is resolved, Rep. Sharp and others will hold up all action. Even once it is resolved, it is still possible the Sharp subcommittee on Energy and Power will mark up the bill before full committee consideration. The full committee, however, is expected to retain most of the mobile source provisions as passed by the Waxman subcommittee. There are major concerns about amendments on the House floor, but there is no good intelligence regarding potential initiatives at this time.

On the Senate side, only minor improvements in the committee bill are possible. Our priorities include:

- deletion of the fuel quality specification provisions (Section 217);

- deletion of the $CO_2$ emissions fee (Section 206);

- maintaining either no alternative fuels program or as limited a program as possible since other provisions of this bill will achieve attainment without a costly alternative fuels program; and

- lowering the 3.1% minimum oxygen requirement (Section 218) and limiting the number of areas covered (the bill currently requires this fuel in all 44 carbon monoxide nonattainment areas).

Of course, there are serious concerns about provisions of the bills that deal with issues other than mobile sources.

In the final analysis, the Senate bill is expected to be extreme and to impose high costs without commensurate benefits. Most issues of concern to the two industries will not be resolved until the House-Senate conference. The industries plan to continue to work closely with Reps. Dingell and Lent who will lead the House conferees.

1/16/90