July 10, 1970

SUBJECT: BULLETIN NO. 9 - LEAD IN GASOLINE

TO: ALL MEMBERS OF THE LEAD INDUSTRIES ASSOCIATION, INC.

There has been a temporary "slow" period in the lead in gasoline situation. The following brief discussions of a number of points are intended to bring you up-to-date.

* * *

1. HOUSE BILL OF THE FEDERAL CONGRESS, HR 17255, has come from sub-committee and voted upon, passing 374 votes "pro" to 1 vote "con".

   This Bill in effect gives the Secretary of Health, Education and Welfare authority to control and to limit additives in gasoline, but is more favorable to lead's interest than an earlier version since it requires the Secretary to justify any action he may wish to take on economic and medically scientific evidence of need. It is not entirely clear to whom he must justify action to be taken.

* * *

2. THE POSITION IN THE SENATE IS NOT YET CLEAR. Under Senator Muskie's direction, his sub-committee is considering its own version of a parallel bill with the same objectives as that from the House, but such has not come from the sub committee. It is reported, however, that it well may be tougher on lead than the House version.

* * *

3. PRESIDENT NIXON PROPOSED EARLIER THAT A TAX be levied promptly amounting to $4.25 per lb. of lead used in additives. It would appear that nothing is ever certain in Washington, but the following quotation from the "Oil Daily" of Tuesday, July 7, would cover our understanding of the present status of the President's tax proposal:

   "Meanwhile, the only apparent good news for refiners and the lead industry on the gasoline-lead issue involves the tacit agreement by the White House to let its lead-tax proposal die a quiet death on Capitol Hill.

   "President Nixon's proposal for a 2.3 cent per gallon tax on lead used in gasoline has received a cold shoulder from members of both political parties in this election year, as an unnecessary irritant to millions of motorists who are also voters.

PNYC00001083

N10165

"Hearings might be held on Nixon's proposal by the House Ways and Means Committee in August - but they will have no significance. Chairman Mills, D-Arkansas, has already let the White House know of his opposition to the idea.

"The only excuse for seriously considering a gasoline-lead tax would be to raise revenue - not to control air pollution from automobiles.

"If Nixon decides his 1971 budget faces a very big deficit later this year, he might resurrect the lead-tax proposal and push for its consideration - but not otherwise."

* * *

4. COMMERCE PANEL REPORT - You will recall that President Nixon some months ago asked the Secretary of Commerce to appoint a panel to study the lead in gasoline situation and that Mr. S.D. Strauss and the writer testified before the Panel in Washington on April 11.

The Panel report has now issued and has been accurately summarized as follows by UPI:

"(LEAD-FREE GAS) - WASHINGTON--A GOVERNMENT TECHNICAL COMMITTEE TODAY RECOMMENDED FEDERAL TAX OR SUBSIDY PLANS TO MAKE IT CHEAPER FOR MOTORISTS TO USE LEAD FREE GASOLINE THAN LEADED FUEL WHICH IS CONSIDERED A PRIME CAUSE OF AIR POLLUTION.

"BUT THE COMMITTEE, HEADED BY DAVID V. RAGONE, DEAN OF THAYER SCHOOL OF ENGINEERING AT DARTMOUTH, DID NOT RECOMMEND PROHIBITION ON THE USE OF LEAD.

"RAGONE SAID UNLEADED FUEL WILL COST MORE TO PRODUCE THAN PRESENT HIGH-LEADED REGULAR GASOLINE AND THAT WITHOUT FEDERAL ACTION "MOTORISTS WILL BE TEMPTED TO USE THE HIGHER LEADED FUEL AT THE LOWER COST."

"RAGONE SAID THE GOVERNMENT COULD EITHER INCREASE THE TAX ON LEADED GASOLINE -- A STEP ALREADY RECOMMENDED BY PRESIDENT NIXON -- CUT THE TAX ON UNLEADED FUEL, OR PROVIDE DIRECT SUBSIDIES TO ENCOURAGE THE PRODUCTION OF UNLEADED GASOLINE.

"THE REPORT WAS MADE PUBLIC BY THE COMMERCE DEPARTMENT WHICH SPONSORED IT.

"RAGONE SAID THE COMMITTEE DID NOT RECOMMEND OUTLAWING LEADED GASOLINE BECAUSE FUTURE TECHNOLOGY MIGHT PRODUCE DEVICES WHICH PREVENT POLLUTION BUT CAN BE USED WITH LEADED FUEL.

"DR. JOHN MIDDLETON, ADMINISTRATOR OF THE NATIONAL AIR POLLUTION CONTROL ADMINISTRATION, CALLED THE REPORT "HELPFUL."

"HE REJECTED SUGGESTIONS THAT THE COMMITTEE'S FAILURE TO SUGGEST BANNING LEAD WOULD PREVENT HIS AGENCY FROM DOING SO IF THE HEALTH HAZARDS ARE FIRMLY PROVED.

"THE RAGONE PANEL ALSO RECOMMENDED THAT CONGRESS PASS LEGISLATION TO GIVE THE GOVERNMENT FIRM POWER TO REGULATE FUEL ADDITIVES. SUCH LEGISLATION HAS ALREADY BEEN INTRODUCED.

"THE COMMITTEE ALSO SAID THERE SHOULD BE "GENERAL AVAILABILITY" OF UNLEADED GASOLINE BY MID-1974 AND THERE SHOULD BE NATIONWIDE, BUT LESSER, AVAILABILITY OF LOW-LEADED OR UNLEADED FUEL BY THE END OF 1972.

"THE COMMITTEE ALSO SAID THE AUTO INDUSTRY SHOULD BE URGED TO MAKE PUBLIC CHANGES IN THE FUEL REQUIREMENTS OF ENGINES TWO YEARS IN ADVANCE OF THE INTRODUCTION OF THE CHANGED ENGINES AND THE PANEL URGED A FOUR-YEAR MORATORIUM ON INCREASES IN ENGINE OCTANE REQUIREMENTS.

"THE COMMITTEE ALSO SAID THE STATES SHOULD BE ENCOURAGED TO INCLUDE INSPECTION OF POLLUTION CONTROL DEVICES AS PART OF REGULAR AUTO CHECKS.

"RAGONE SAID IT WOULD BE IMPOSSIBLE FOR THE GASOLINE INDUSTRY TO IMMEDIATELY ELIMINATE LEAD AND TO MAINTAIN PRESENT OCTANE RATINGS.

"THE NATION'S AUTO MANUFACTURERS HAVE ALREADY ANNOUNCED THAT MOST 1971 MODEL CARS WILL BE DESIGNED TO RUN ON LOWER OCTANE FUEL. BUT RAGONE SAID THESE VEHICLES WILL GET LOWER GAS MILEAGE THAN VIHICLES REQUIRING HIGHER OCTANE.

"SEVERAL OIL COMPANIES ARE ALREADY MARKETING A LEAD-FREE FUEL. BUT RAGONE SAID THE AMERICAN OIL COMPANY, THE LARGEST PRODUCER OF UNLEADED GASOLINE, SAID IT WOULD BE UNABLE TO INCREASE ITS PRODUCTION CAPACITY.
JG1259PED-7/8"

* * *

5. THE CALIFORNIA SITUATION - Earlier bulletins have discussed the situation in California. We are not exactly certain where it stands but have been reliably informed from the Coast that so many amendments have been offered to the Bill as previously described that it is not known when or whether it will reach a final vote.

California Assembly Bill 79, against which I testified on April 11, would have required the availability of non-leaded regular as of July 1, 1971, but would have permitted 3 grams of lead per gallon in "premium" gasoline until July 1, 1977 and then 2 grams per gallon in "premium" until July 1, 1980.

It is rumored that one of the amendments now being debated by the California Assembly would advance the time for final elimination of lead by 3 years. (i.e., July 1, 1977).

* * *

6. JAPANESE SITUATION - Bulletin #8 of July 9 touched on the rapidly developing resistance to lead in gasoline in Japan. LIA has been quite well informed of the Japanese developments through some members and also through the Tokyo office of our public relations advisor, Hill & Knowlton. The situation in Japan is seemingly even more political and emotional than that in the U.S. An original report cited numerous people actually ill from lead poisoning. This has been officially checked by a Japanese Government agency - the checking involved more than 200 persons (some duplicates) and has demonstrated convincingly that there are no persons ill from lead out of automotive exhausts. As of interest, it

was determined through a four-day sampling of air at the four corners of the critical intersection that there is an average of less than 5 micrograms per cubic meter in the atmosphere at the intersection involved. This - according to the American Industrial Hygiene Association could not lead to trouble. AIA flatly says the 10 micrograms per cubic meter is safe indefinitely.

We have been in indirect communication with the Japanese producers through the Japanese Lead Association and have offered our assistance as may be required. As of this time, we do not know whether or not we will be asked to help.

It is interesting to note that Mitsui and the Ethyl Corp. have been working together and have a Japanese plant scheduled to start production of lead additives in September this year. Ethyl Corp. officials have been in Japan and presumably are in close contact with the situation. At one stage reports from Japan suggested that there would be labor trouble if the lead additive plant were to be put on-stream. Subsequent information has indicated that operation will be started regardless.

* * *

7. THE AUSTRALIAN SITUATION - The Australian Transport Advisory Council has begun to debate lead in gasoline. The Australian Lead Development Association has prepared a status report leaning heavily on information from the U.S. The LIA has advised the Australian Association to the extent of reviewing and updating the Australian statement to be made. An official meeting of the ATAC was scheduled for July 9th. We do not know the outcome but will report appropriately to you in the future.

8. NEW YORK CITY - There is agitation - certainly including political motivation - to curtail the use of leaded gasoline in the City of New York. LIA is meeting with the councilmen and commissioners active in this field to make certain that the lead industry's position is known.

* * *

9. LIA AND ILZRO'S EFFORTS, with particular reference to the trapping of lead before it is exhausted to the atmosphere. It seems assured that leaded gasoline will be sold in the U.S. in substantial volume for the next several years. The LIA campaign has acknowledged the desirability of trapping lead before it is exhausted to the atmosphere. If this can be mechanically or chemically accomplished in the reasonably near future, the entire market may be saved. We do not back away from our conviction that there is no health hazard from automotive exhaust lead now or in the forseeable future. However, it is unrealistic to expect the continued acceptance by governments of the world of new atmospheric lead at either present and growing levels.

The problem of trapping exhaust lead before release to the atmosphere has been presented to ILZRO and they are planning preliminary research at an early date.

* * *

10. AMOCO ADS - The Amoco Division of the American Oil Company with its non-leaded premium gasoline is pushing this product to the limit. Their ads and TV commercials are extremely misleading. LIA will be in contact with them to see what can be done correctively.

The above listing of current topics of interest and concern is barely more than just that.

If specific questions arise concerning any of the points discussed, I would be glad to elaborate on request.

Bulletin No. 10 will follow in due course.

Sincerely,

J. L. Kimberley
Executive Vice President

JLK/gt