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Bill (Seedman)

Jim Kasper I
Kasper Ins. Co's gave
me this. His Co's did
not participate in news
conference, altho they do
agree with conclusions!

Info only.
JKF

FACT SHEETPROPOSED "ROLLBACK" REGULATION FOR BUMPER STANDARDS

Purpose of the regulation is to remove most of the existing bumper protection features, with the result that bumpers will be "crashworthy" only in a $2\frac{1}{2}$ m.p.h. collision, instead of a 5 m.p.h. collision as is now the case. Here are some comments:

1. The proposed regulation would impose on automobile owners the high cost consequences of relatively ineffective bumpers. A conservatively estimated cost to the consumer, and therefore to the economy, over the period in which the proposed standard has impact is \$6 billion. This estimate is based on higher insurance premiums, a part of the direct out of pocket cost and other direct factors. The estimate does not include the indirect cost of (a) the energy and resources used in repairing damage which need never have occurred; (b) the days and weeks of time lost by owners whose cars are out of commission because of damage which could have been prevented; (c) the waste of fuel in idling vehicles backed up behind damaged vehicles which need not have been damaged.
2. $2\frac{1}{2}$ m.p.h. bumpers are only 25% as protective as the present 5 m.p.h. bumpers.
3. The proposed regulation assumes that manufacturers will reduce the weight of automobiles (and their gas consumption) if they are permitted to retrogress to a $2\frac{1}{2}$ m.p.h. bumper. Nothing in the regulation requires weight reduction.
4. Reversion to a $2\frac{1}{2}$ m.p.h. bumper is not necessary to reduce weight of automobiles. The Opel Manta's bumper weighs one-third of the Ford Pinto's system. Volvo's weight has gone up relatively little with the installation of an excellent bumper system.
5. There will be a wasteful and unnecessary increase in the sale of non-competitively priced crash parts. (The need for various replacement parts was reduced 20-40% in cars equipped with 5 m.p.h. bumpers. This savings will be lost if the bumper is rolled back).
6. The regulation would allow four years for mass production of "soft face" 4 m.p.h. bumpers in the face of the fact that an inexpensive and effective 5 m.p.h. "soft face" bumper is already in use. A 4 m.p.h. bumper absorbs only 60% as much energy as a 5 m.p.h. bumper.

7. The National Highway Safety Administration analysis, made at the request of the manufacturers, supplies cost benefit data in which the cost figures are furnished by the manufacturers but the source and documentation for the benefit data are unknown. Thus, it cannot be determined whether the benefit side of the equation has been adjusted for economic loss such as premium discounts which are wiped out, etc.

FACT SHEET

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THE WHITE HOUSE
WASHINGTON

January 27, 1975

ADMINISTRATIVELY CONFIDENTIAL

MEMORANDUM FOR: L. WILLIAM SEIDMAN
FROM: JERRY H. JONES 

The attached was returned in the President's outbox with the following notation to you:

-- Jim Kemper of Kemper Ins. Co.
gave me this. His Co. did not participate
in news conference, although they do
agree with conclusions. Info. only.

cc: Don Rumsfeld