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Authority State Waiver 11/6/15

7. dk NARADATE 1/25/2017

THE SECRETARY OF STATE
WASHINGTON

June 1, 1987

CONFIDENTIAL

Dear Ed:

I wanted you to know of my strong personal interest in the early and successful completion of an effective international treaty to protect the stratospheric ozone layer through reducing use of certain chlorofluorocarbons (CFCs) and halons. This is a subject which has attracted intense Congressional and media interest, and which many regard as the highest priority environmental issue on the global agenda.

International agreement is now within reach, largely on U.S. terms. The U.S. position was developed through intensive interagency deliberations leading up to, and following, the authority to negotiate (Circular 175) which was approved on my behalf by Under Secretary Allen Wallis last November. Implementing that authority, the U.S. delegation has succeeded through three difficult negotiating rounds in turning aside control proposals which would have been disadvantageous to the United States, and in gaining wide acceptance of the U.S. position.

I am now concerned, however, that within the Domestic Policy Council process, a few agencies are advocating positions which would, in effect, reopen the entire international negotiation, which is scheduled for completion in September at a Conference of Plenipotentiaries in Montreal.

I understand, and sympathize with, concerns over both scientific uncertainties and the possible economic impact of controls. However, Lee Thomas, who is charged with environmental protection by the President as well as by legislative mandate, has concluded, after over two years of analysis, that the U.S. position is a prudent approach to risk management. I agree with him. Although scientific certitude is probably unattainable, I am impressed by the growing international consensus on the threat to the ozone layer, largely due to research by our own NASA and NOAA. This consensus is manifest in the changed positions of both

The Honorable
Edwin Meese III,
Attorney General.

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U.S. industry, which now officially advocates at least a global freeze on production of CFCs, and the European Community, which has proposed a freeze followed by a 20 percent automatic reduction, and which last month agreed to consider a further 30 percent reduction.

Based on contacts with industry, it appears that the 20 percent reduction (which would not come into effect until 1992-94) could be absorbed by U.S. industry utilizing existing alternative products and processes. While the additional 30 percent cut would require substitute products, the additional time-frame for such reduction (8 to 12 years from now) would be within the "comfort zone" for the market system to provide incentives for the needed R & D.

I believe it would be inadvisable for us to delay the negotiations, or to appear now less concerned over protecting the ozone layer than the European Community and others who have followed our leadership. John Whitehead, Lee Thomas and I, American Ambassadors abroad, and senior officials on my staff, have all advocated the U.S. position in contacts with senior foreign officials. This has contributed to the evolution of policy in many countries. A perceived reversal by the U.S. risks an embarrassing loss of international credibility, as well as domestic political backlash. Moreover, it would risk the worst possible outcome from the standpoint of U.S. industry and consumers: namely, unilateral U.S. controls (added to our 1978 ban on CFCs for aerosol use) forced by the Clean Air Act, by court order, or by new legislation. There are already growing rumors in Congress and among public interest groups that the Administration is "backsliding" from its previously much-praised commitment to protect the ozone layer.

In order not to jeopardize the progress we have made in this major international negotiation, and following consultation with Lee Thomas, I propose to instruct the U.S. Representative to continue to negotiate in conformance with the existing Circular 175 authority. The objective is a strong and effective international agreement by September, containing provisions as summarized in the enclosure, which is consistent with the interagency position developed prior to the most recent negotiating round, in April.

I hope you will agree that this is a reasonable position. Only a protocol which provides for significant reductions in CFC's can prudently address the environmental risks, avert needless

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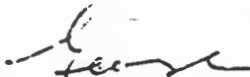
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- 3 -

criticism of the Administration and probable unilateral domestic controls, and provide the needed stimulus for industrial research into alternative products over a reasonable time period. The Administration will have the opportunity to review the negotiated protocol text before signature by our Government. If you have any questions concerning these provisions, I would be pleased to ask Assistant Secretary Negroponete to provide further details.

I propose to proceed on this basis unless you feel that this course of action is not feasible because of compelling objections from some members of the Domestic Policy Council. In that case, I propose that we, together with Lee Thomas, take this matter to the President without further delay.

Sincerely yours,



George P. Shultz

Enclosure:
Protocol Summary

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dlr NARA DATE 1/25/2017

Protocol Summary

1. A freeze, at 1986 levels, on production/consumption of CFCs 11, 12, 113, 114 and 115, and Halons 1211 and 1301, to take effect one or two years after the protocol enters into force (EIF).
2. Periodically scheduled reductions of CFCs 11, 12, 113, 114 and 115, from 1986 levels, beginning with 20 percent two to four years after EIF, followed by an additional 30 percent approximately eight years after EIF, with the possibility of further steps as determined by the parties.
3. Regularly scheduled assessments of scientific, economic and technological factors, prior to any reductions, to enable the parties to adjust the reduction schedule and add or subtract chemicals.
4. An ultimate objective, subject to the assessments mentioned above, to eliminate substantially all potential threats to the stratospheric ozone layer from anthropogenic chemicals.
5. Strong trade, monitoring and reporting provisions to make the protocol as effective as possible.
6. An attempt to negotiate some system of voting which would give due weight to the currently significant producing and consuming countries.

- need > explicit trigger mechanism
- control formula

~~CONFIDENTIAL~~

NATION

After serving 25 years in prison, the other prisoners are Felipe Cruz, 49, who served 1 year, and Julio, who served 25. He is allowed more than 100 political prisoners to

foot motorboat that he and other Cubans arrived at a shrimp dock. The passengers, age from 17 to 57, but hungry after a long journey.

Cases, Cuban refugees in South Florida over to family members in Miami's in-American community questioning by the Migration and Naturalization Service.

Justice Urged

MONICA, Calif.—A man died in prison for Joe Hunt, the exclusive Billion-dollar convicted of killing Hills con man who in a high-stakes game.

of 11 women and deliberated for 22 May 29 before re-death penalty for he was convicted in 1-degree murder and the 1984 slaying of inflame man Ron Levinsky has never been

Thieves Hunted

ARK—Thieves who truck parked near

Shultz Reasserts U.S. Support of Ozone Pact

By Cass Peterson
Washington Post Staff Writer

Secretary of State George P. Shultz has moved to quell an embarrassing flap over the administration's position on protecting stratospheric ozone, sources said yesterday, telling Attorney General Edwin Meese III that he intends to pursue an international agreement unless President Reagan personally decides otherwise.

Since last year, U.S. negotiators have been seeking an international agreement to reduce the use of chlorofluorocarbons (CFCs), which scientists say are destroying ozone high in the atmosphere and allowing increased ultraviolet radiation to strike Earth.

Last week, administration sources said the White House Domestic Policy Council, headed by Meese, had another option under review: a campaign to encourage people to wear sunglasses, hats and sun lotions to protect themselves from potentially cancer-causing ultraviolet rays.

Interior Secretary Donald Hodel, who argued for the sunscreen plan, has since said it was intended to be part of an "array of alternatives" to be presented to Reagan.

The plan was greeted with disfavor by environmentalists and members of Congress, who had a field day smearing themselves with skin lotion for news conferences and issuing press releases touting the future of the U.S. hat industry.

In a letter to Meese this week, Shultz said the publicity threatened to damage the U.S. negotiating position when talks on the ozone agreement resume in Montreal this September.

Shultz said he intends to instruct his negotiators to keep working for the international agreement unless Meese can provide a "compelling reason" for changing the U.S. position. Shultz also told Meese that he believes discussions aimed at changing that position are inappropriate at the Domestic Policy Council level.

He said that if there was a compelling reason to change, he and Meese should take it to the president, said one source.

In international talks involving 31

nations, U.S. negotiators initially sought a 95 percent reduction in global use of chlorofluorocarbons. The chemicals are widely used as refrigerants, foam-blowing agents and, except in the United States and a few other nations, as aerosol propellants.

Last April, the international group tentatively agreed to freeze CFC production at current levels and work toward a 20 percent reduction over the next decade.

The initial agreement left the way open for reductions of up to 50 percent, however, and U.S. officials said they are optimistic that a stronger pact may yet emerge.

The sunglasses-and-lotion proposal threatened to undermine the agreement, they said, because other nations probably would view it as a sign that the United States is not serious about addressing global environmental problems.

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Vicki
6/18
x

EXECUTIVE OFFICE OF THE PRESIDENT
COUNCIL ON ENVIRONMENTAL QUALITY
722 JACKSON PLACE, N. W.
WASHINGTON, D. C. 20006

June 18, 1987

MEMORANDUM TO: The Honorable Nancy J. Risque
Assistant to the President
and Cabinet Secretary

FROM: Jacqueline E. Schafer
Member
Council on Environmental Quality

RE: Issue 9: Long-range Objective

I did not raise this point again this afternoon, because I thought the discussion of substitutes was adequately addressed by others. But I do not believe the statement under Issue 9 is a satisfactory expression of this Administration's ultimate objective. It confuses the means with the ends.

I suggest that we quite deliberately restate the ultimate objective of global environmental regulation:

"The ultimate objective of this protocol is to stimulate the discovery and market acceptance of effective, safer and competitively-priced substitutes for the most ozone-depleting substances."

The goal of this effort is not 20% or 50% or 95% or absolute government control over otherwise beneficial man-made products. Rather, our goal is to expand market choices, so that people all over the world will freely prefer the substitutes, even if their governments refuse to join or abide by a control protocol.

THE WHITE HOUSE
WASHINGTON

August 11, 1987

MEMORANDUM FOR NANCY J. RISQUE

FROM:

VICKI MASTERMAN *VM*

SUBJECT:

Letter to the Editor on Stratospheric Ozone

Attached is a revised version of your letter to the New York Times. Also attached is a proposed memorandum from you to Secretary Hodel informing him of your letter.

Attachments

*Vicki,
Thanks very
much. Hopefully
communications will
clear it asap
and I'll send!
Nancy*

THE WHITE HOUSE

WASHINGTON

August 12, 1987

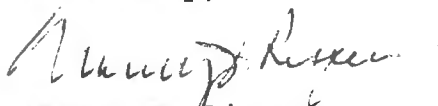
Dear Mr. Rosenthal:

In "Protecting the Ozone Layer" (Op-Ed, August 6, 1987), Michael Oppenheimer and Daniel Dudek suggest the "President's public leadership ... could be vital to clinching the deal to save the ozone layer." They also note correctly that the final ozone agreement is due to be signed this September "with critical details still undecided, the delicate consensus could easily evaporate." Why then would they have the President proclaim publicly his negotiating strategy, polarize the debate and leave his State Department negotiators without any latitude?

Everyone acquainted with the ozone issue recognizes that ozone protection can only come from global efforts. The point of the negotiations is not to win the hearts and minds of the public in countries that produce and consume ozone depleting chemicals, but rather is to achieve the best international agreement. The Reagan Administration has publicly called for a strong and effective international agreement to protect the ozone layer. And the President has personally instructed his negotiators on the details of a negotiating strategy toward such an agreement.

Finally, I was most disappointed to see Oppenheimer and Dudek perpetuate a falsehood regarding Interior Secretary Donald Hodel's views on ozone protection. Unlike anyone who has written about "sunglasses and hats" to date, I attended the meeting where Secretary Hodel purportedly embraced such measures. That was not his position.

Sincerely,



Nancy J. Risque
Assistant to the President
and Cabinet Secretary

Mr. Jack Rosenthal
Editorial Page Editor
New York Times
229 West 43rd Street
New York, New York 10036

THE WHITE HOUSE

WASHINGTON

August 11, 1987

MEMORANDUM FOR DONALD P. HODEL
SECRETARY OF THE INTERIOR

FROM: NANCY J. RISQUE

SUBJECT: Letter to the Editor on Stratospheric Ozone

Attached for your information is a copy of my letter to the Editorial Page Editor of the New York Times responding to the August 6, 1987 Op-Ed by Daniel Dudek and Michael Oppenheimer on "Protecting the Ozone Layer." My letter responds both to the assertion that the President "should loudly proclaim" the need for ozone protection, and to the false allegation that you recommended sun screens and protective clothing in lieu of other ozone protection measures.

Attachment

Protecting the Ozone Layer

By Michael Oppenheimer
and Daniel J. Dudek

After a third bout with skin cancer, President Reagan's nose, as he noted, is a "billboard" warning against excessive exposure to the sun. Something else he should loudly proclaim is, "Protect the ozone layer." The message could be vital to cementing an international agreement to stop ozone depletion, which threatens to vastly increase already high levels of skin cancers — some of which, unlike Mr. Reagan's, will be fatal.

Michael Oppenheimer is a senior scientist, and Daniel J. Dudek is senior economist, with the Environmental Defense Fund.

The stratosphere's ozone layer, the first line of defense against the sun's ultraviolet rays, is beginning to thin because of industrial gases. Sun screens and protective clothing are important weapons in combating rising rates of skin cancer.

But Donald Hodel, the Interior Secretary, took this notion to an extreme two months ago when he recommended their use in lieu of regulations to protect the ozone layer. The suggestion, akin to issuing gas masks to mitigate air pollution, met with appropriate derision. But the Administration has never renounced Mr. Hodel's logic.

Scientists have known for more than a decade that industrial chemicals called chlorofluorocarbons are responsible for the damage to the ozone layer. Chlorofluorocarbons are widely used in refrigerators, air conditioners, plastics manufacturing, aerosols and as solvents.

Substitute chemicals or processes are readily available — or could be, with a nudge from governments. But international negotiations to solve the problem languished until an ozone hole was discovered over Antarctica.

With recent findings pointing at chlorofluorocarbons as the likely culprit, about two dozen nations have moved rapidly toward an accord that would sharply reduce production of these chemicals over the next decade. In fact, negotiators moved to the brink of agreement at a bargaining session in Geneva last April, before Mr. Hodel entered the fray.

A final protocol is due to be signed at a September meeting in Montreal, and with critical details still undecided, the delicate consensus could easily evaporate.

The President's public leadership, sharpened by his personal medical history, could be vital to clinching the deal to save the ozone layer.

1275 K Street, N.W., #400
Washington, D.C. 20005
(202) 371-5200

August 13, 1987

Mr. Stephen Seidel
U.S. Environmental Protection Agency
Washington, D.C. 20460

Re: Preliminary Comments on the August 4, 1987
Presentation to SPI of CFC Regulatory Options

Dear Steve:

Thank you for your presentation on chlorofluorocarbon (CFC) regulatory options to The Society of the Plastics Industry, Inc. (SPI) on August 4, 1987. As you know, SPI is the major national trade association for the plastics industry. Members having a specific interest in proposals to regulate CFCs include producers of raw materials used in the manufacture of CFC-blown foams, producers of foam products using CFCs, along with polyurethane insulating spray foam contractors. During your presentation, you indicated that you would be interested in any reaction or response from our industry on the options you discussed. This letter provides you with some initial thoughts on the control options and suggests some possible modifications in the proposals as outlined to address some of those concerns. These comments of necessity are only preliminary, as SPI has not had the benefit of access to documents which outline the economic assumptions with respect to the Environmental Protection Agency's (EPA) control strategies. Accordingly, SPI is not in a position to recommend one option over another at the present time.

In this regard, while SPI did receive copies of an April 13, 1987 draft document entitled Preliminary Analysis of Costs and Benefits of Stratospheric Ozone Protection, you indicated that this document is still undergoing revisions. We understand that the background data and description of the assumptions made in the course of developing the April 13, 1987 draft (as well as the revised document itself) will be associated with the revised report. Although we have repeatedly been promised a copy of this revised document since early May, we have not yet received it. Given the Agency's exceedingly fast timetable for development of a proposal and preparation of a Regulatory Impact Analysis, SPI is at a severe disadvantage

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August 13, 1987
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as a result of its lack of access to the critical background information which has formed the basis of the EPA's current thinking on a proposed rule. Nevertheless, and with the understanding that SPI reserves the right to comment more extensively on the EPA's proposed CFC control options once we do have access to the background material, this letter will outline some of our thoughts on the strategies proposed.

Comments on EPA Action and the
Proposed International Protocol

Initially, SPI notes that, as you pointed out in our meeting, the current EPA action is occurring within the framework of 1) a court-mandated deadline for regulatory decisions and 2) international negotiations on protection of the ozone layer. The international negotiations are taking place while scientific research to 1) verify the fact and extent of global ozone depletion and 2) study the causes for ozone depletion continue. Significant scientific uncertainties remain regarding the role of CFCs and other substances or phenomena with respect to ozone depletion. These comments will not address the scientific issues. Despite scientific uncertainties, SPI has indicated that a freeze on CFC emissions worldwide, while it may cause hardships to CFC user industries and impose costs on the public at large, is a prudent step given the potential risks of ozone depletion. It does not appear, however, that further reductions at the levels being discussed in the international arena are necessary to protect the environment and health. SPI is therefore providing comments to the U.S. Department of State on the proposed protocol to address this and other concerns.

Although SPI does have some concerns about certain aspects of the draft international protocol, SPI supports an international approach to stratospheric ozone control. In SPI's view, unilateral action by the EPA would not only be ineffective from an environmental standpoint, it would be unduly burdensome to American industry. SPI therefore urges the EPA to avoid unilateral action. The EPA must adhere to the framework of an international agreement with respect to both the extent and timing of CFC control strategies.

Comments on the EPA's Assessment of the
Technological Feasibility and Economic Impact
of Control Strategies

You pointed out at our meeting on August 4, 1987 that the EPA is proceeding with its proposed stratospheric ozone

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control strategies under § 157B of the Clean Air Act. The Act specifically states that any regulations designed to control stratospheric ozone "shall take into account the feasibility and the costs of achieving such control" (emphasis added). Accurate information on the technological feasibility of control strategies and economic impact on users is thus a critically important element of the Agency's analysis required by law.

SPI has previously provided the EPA with specific information regarding the technological feasibility of certain control strategies for the foam blowing industry outlined by the EPA in its Preliminary Analysis of Costs and Benefits of Stratospheric Ozone Protection. It is not the intent of this letter to provide further detailed analysis on this score. We note, however, that some of the control options suggested for the foam plastics industry in that document can not be implemented, some have limitations due to constraints on process technology or product performance requirements, while virtually all will cost more than the Agency has estimated.

SPI will be providing additional information on the economic impact of CFC regulation on the foam plastics industry to the Agency. SPI has previously noted, however, that it appears that many secondary economic effects which could result from CFC controls, such as higher energy costs, have been ignored. Again, SPI's efforts to provide up to date information to the Agency on the economic impact of CFC controls on our industry have been seriously hampered by the failure of the Agency to provide it with the appropriate background documents.

Additionally, the Agency has assumed an excessively optimistic timetable for the development of substitutes. Many chemical substitutes are just now in the initial phase of toxicity testing. If testing indicates adverse toxicity, serious delay in the commercial availability of products made with substitutes will follow.

SPI strongly disagrees with your comments that the foam plastic industry will not suffer undue economic harm as a result of CFC controls. One key point in the EPA's April 13 Preliminary Analysis of Costs and Benefits of Stratospheric Ozone Protection is that a 30% reduction of CFC use can be obtained with a price rise of only about 7 cents a pound. Controls which are so inexpensive would in all probability have been adopted by now. While we realize that this information was contained in a "preliminary" document, SPI believes that

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the Agency has significantly underestimated 1) the feasibility of technological control options within the foam plastic industry, 2) the time frame necessary for the development of chemical substitutes suitable for most foam blowing applications, 3) the likely CFC price increases which will follow from controls, 4) the time necessary for modifying and/or developing process technology suitable in foam blowing operations using substitute CFCs, and 5) the economic impact on the foam plastic industry which will ensue as a result of CFC controls.

Comments on CFC Regulatory Options

You outlined at our meeting five possible regulatory control options which are currently being considered by the Agency. You indicated that the Agency has not selected one particular option, but hopes to begin "prioritizing" the five options in the course of developing a proposed rule. Since only a relatively sketchy outline of how these various options will operate in practice is available, SPI's analysis of these options is necessarily somewhat abbreviated. We are likewise unable to recommend any particular option at present. Instead, this letter points out a number of important considerations which SPI believes need to be assessed in more detail by the Agency as it reviews the options it is currently considering. Comments on the specific options outlined follow. As noted earlier, these comments reflect SPI's preliminary reactions only to some of the more obvious issues connected with each option.

1. Marketable permits.

In your presentation, you outlined a variety of "economic incentive" plans to control CFC use. The first involves a system of marketable production permits, auctioned annually by the EPA and open to producers and users alike. Under the scheme, as you explained it at the meeting on August 4, the total number of CFC production permits would be established by the "regulatory goal." Although this goal is not defined, it is SPI's view that the "regulatory goal" must be identical to the goals established in the international protocol.

As you explained it, all CFCs would be grouped based on the depletion potential of each. In other words, specific permits to produce, e.g., CFC 11, CFC 12, etc., are not contemplated. The ultimate cost of CFCs to users would presumably reflect the permit price as well as the premium likely to evolve by virtue of the scarcity imposed by limiting the total

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number of permits. Enforcement would focus on the small number of CFC producers; producers could not produce CFCs without the appropriate number of permits.

Apparently, the EPA believes that a system of marketable permits is an economically efficient means of achieving the regulatory goal. You suggested, for example, that the option "treats all firms equally." In SPI's view, government-imposed controls leading to scarcity of an important commodity will work inequitably. From an economic and technological feasibility standpoint - key issues required to be assessed by the EPA - a permit scheme will unduly penalize those for whom substitute chemicals or other reasonable control options are not available, particularly in the short term, as well as those with only limited ability to raise prices on final CFC-using products to reflect higher CFC costs.

Another significant drawback of the permit auction concept is that businesses will have no certainty for business planning purposes. Companies, including those who use CFCs and those who supply other critical raw materials to CFC using industries, need certainty for planning purposes. Business planning is frequently done yearly, and long-range "5 year plans" are developed as well. Permit auctions could disrupt these plans in the foam industry, depending on ultimate CFC prices. One consideration, for example, relates to building new facilities. For larger chemical companies, a year of planning and two years of construction could go into bringing a new facility on line suitable for manufacturing chemical products, including non-CFC materials used in foam plastics. If customers of such manufacturers can not obtain CFCs or reliable substitutes, they will not buy other materials used in foams.

You indicated that a production permit scheme will be economically efficient if firms have available to them "inexpensive" options to reduce CFC consumption. At the same time, you suggest that CFC price increases which will result from the imposition of a permit scheme are not likely to be great. SPI believes that price increases will be significant. Preliminary economic impact work prepared for the Alliance for Responsible CFC Policy, for example, suggests that a CFC production freeze alone could cause CFC prices to double in the near term.

Moreover, the Agency has failed to consider that some users are far better able to absorb even relatively modest additional CFC costs than other users. In the case of the foam plastics industry, for example, many industry members will

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likely cease doing business if CFC costs increase too much. The cost of CFCs represent a high portion of the cost of foam plastics products, but the ability to pass on that cost to consumers will be limited by factors which include the price of alternative products. In contrast, many CFC users could withstand far more significant price increases without switching to alternatives, implementing control strategies, or hurting their product markets, as the increased cost can be borne more readily by the consumer. Accordingly, the price at which various CFC users are likely to turn to alternatives will vary tremendously among different user groups. Thus, firms will not be treated "equally" as you suggest; firms in the foam plastics industry will likely face much higher economic losses than firms in other industries under a pure permit auction control strategy.

Another issue which has not been considered is the likelihood that hoarding or brokering of permits will occur. It is extraordinarily naive to think that speculators in the CFC permit market will not operate to drive up the price of CFCs, just as they do with respect to markets for other commodities. For a relatively modest investment by financial market standards it seems likely that speculators would take a substantial position in the CFC permit market, thus driving up permit costs. Hoarding and brokering of permits will force CFC users to in effect pay a fee on top of a permit fee, with additional wealth transfers going to speculators, not the U.S. Treasury. Additionally, those users manufacturing products where the cost of CFCs represent a high proportion of the finished product, i.e., whose applications are more price sensitive, would be particularly vulnerable to any marketplace activity designed to unfairly drive up the price of CFCs. SPI therefore urges the Agency to specifically prohibit speculation in the permit market should this control option be selected.

You indicated that the EPA's current thinking in connection with a production permit control option is to issue a total number of permits at a level determined to be consistent with the protection of the ozone layer, and to group all CFCs based on depletion potential. You also stated that in this way CFC producers and users could all participate in the CFC auction. As you know, the various CFCs are generally used in very different markets. A CFC permit auction will not assure the availability of CFCs for all end users. It is necessary, then, that the EPA assure the availability of CFCs for end uses, like foam blowing, where substitutes do not exist for many segments of the market. Otherwise, foam blowers will

face disproportionate economic losses under a permit auction scheme.

The principal issue of concern relative to a production permit control option is the vulnerability of users, like foam blowers, for whom CFCs represent a high proportion of the total cost of the end product in which the CFC is used. In order to ensure that implementation of a permit option does not work unfairly, some protection for such users is needed. This could be done in the form of a set-aside, i.e., dedicating a certain percentage of the available permits for the specific CFCs used in the foam blowing industry for foam blowing use, based on historical use data. User permit set-asides will also preserve the viability of these end use markets, thus giving producers incentives to continue to invest in the development of substitutes.

Alternatively, user permits, based on historic use in various end product applications, could be granted to all user groups. The total permit allocation could also include an assessment of alternatives, feasibility of controls, and the like. While you indicated that the Agency believes a user permit system would be administratively burdensome, the overriding concerns under the Act must be economic impact and technological feasibility. Administrative costs will also likely be imposed on producers and users under a permitting scheme. Those costs do not appear to have been considered. Administrative burdens on the Agency might be reduced if outside groups administer the permits to users.

One unresolved issue, of course, is the legal authority of the EPA to proceed with a production or user permit auction. You indicated that attorneys within EPA are scrutinizing the issue. Given the time pressures, SPI is unable to provide you with any detailed analysis on this score, but notes that this question must be resolved. Additionally, the financial burdens imposed by the permit system might operate to inhibit research and development efforts on the part of users seeking substitutes.

2. Emissions Fees

You explained that a second option under consideration by the Agency is the imposition of "emission" fees. In reality, these fees are not fees on emissions of CFCs, but, rather, are fees on the production and importation of CFCs. In this sense, styling this control option as an "emissions fee" is a

fiction. If fees on emissions are established, then, logically, actual emissions must be the basis for the fees. In this regard, some credit or lower fee should be offered to users who destroy CFCs before they are emitted or who "capture" CFCs in such a way that they are not emitted.

Many of the same concerns outlined above in connection with the EPA's production permit control option apply to the production fee concept as well. In particular, a flat fee collected from producers who pass on the cost to users or consumers will operate unfairly with respect to users, like many in the foam blowing industry, for whom CFC costs are a high percentage of the cost of the finished product. The Agency's goal is to create economic incentives for users to reduce CFC consumption. That goal will only be satisfied if fees are set for each user group at a level designed to spur reductions in that use. This is because the level to which CFC prices must increase so that reductions will be taken, conservation efforts made, recycling technologies adopted, or substitutes used, will vary dramatically from industry to industry. Technological feasibility issues will therefore also come into play here and should be considered with respect to establishing production or emission fees.

Moreover, your own analysis indicates that adoption of this alternative as outlined will not assure that environmental goals are met. From this standpoint, it is difficult to understand why a production fee concept remains under consideration.

As with the production permit concept, the production fee proposal raises certain legal issues. Fees operate in a sense as a tax, and the EPA lacks authority to impose taxes. Fees which are high enough to discourage CFC use may also have the effect of limiting the user's available resources for research and development efforts into alternatives. A positive way to spur moves to alternatives would be to give CFC "credits" to those who use control technologies, purchase capital equipment designed for use with chemical substitutes, invest in R&D or the like. The EPA should also consider supporting legislative initiatives to give tax incentives to CFC users who adopt control strategies.

3. Production Quotas

Another option under consideration by the EPA is establishment of production quotas. Under this option, the EPA would allocate CFC production quotas to producers and importers

Mr. Stephen Seidel
August 13, 1987
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based on historic market share. The producers themselves would benefit from any price increases resulting from CFC scarcity. Again, the Agency is currently considering establishing quotas for total CFC production. Producers will be able to trade among themselves based on the depletion potential of the various CFCs. Since specific CFCs are destined for different end-use applications, it might be more equitable for quotas to be established for different CFCs, with periodic review and adjustment by the EPA. Again, setting aside a certain proportion of CFCs for foam blowing use will help limit the disproportionate economic impacts likely to be faced by the industry.

Additionally, an overriding concern is the potential inequity of this control option vis-à-vis many in the foam plastics industry for whom CFCs are a high cost and substitutes only a long term solution. In addition to consideration of historic CFC production data, production quotas for individual CFCs could therefore take into account the ability of the specific end-user groups for each CFC to absorb price increases so as to operate more equitably. Alternatively, production set-aside could be one means of ensuring that vulnerable user groups are able to obtain the necessary CFCs.

4. Command and Control Regulations

Command and control regulations have traditionally been the means by which the EPA has regulated industries to achieve environmental goals. Under a command and control scenario, the EPA would target specific industries for CFC controls. You explained that the criteria for selection includes (1) the availability of controls/substitutes; (2) the number and size of firms affected; (3) the quantity of CFCs used; and (4) enforceability. SPI believes that the first criteria is the most important of those listed. Obviously, the economic impact of a command and control strategy will be largely dependent on the availability of controls and chemical substitutes.

Industries which have available substitutes would lend themselves more readily to command and control regulations than those which do not. With respect to the foam blowing industry, most segments of the industry are many years away from commercially available products using chemical substitutes. This is because many end use segments of the industry must undergo lengthy and often expensive tests for flammability, toxicity, and long-term performance (such as R-value in the case of foam plastic insulation). For example, building insulation products

must be tested and accepted by building code authorities, a process which often takes years. Packaging foams also must frequently undergo stringent tests before these products can be used due to code and insurance regulations. Some segments of the foam plastic industry do have substitutes, but negative health and environmental impacts, with associated costs, could result from their use. Thus, command and control regulations imposed on the foam plastics industry could well have the effect of forcing many manufacturers out of business, particularly if imposed in the short term. The availability of substitutes in the long term will be of no use to such manufacturers.

Secondary economic impacts must also be considered. In this regard, the energy savings consumers realize by using foam plastic insulation represent an important aspect of the social utility of the product. Energy savings help to achieve other important environmental goals, such as reduction of acid rain. This type of social utility should be factored into the EPA's analysis as well.

5. Production Quotas Plus Product Bans/Controls

Under the so-called "hybrid" option, production quotas on CFCs are established based on the regulatory goal, and specific industries are then targeted for direct regulation. The same factors outlined above should be considered in targeting specific industries. While some industries may be affected and others may not, if the industries who are technologically and economically able to switch to substitutes are targeted, the overall result might well operate more equitably than some of the other options currently under consideration by the Agency. In addition, overall CFC price increases may be minimized.

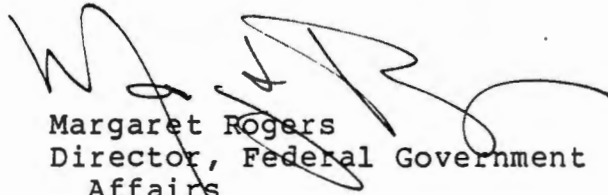
Conclusion

You have been provided with SPI documents relating to extruded polystyrene rigid foam insulation boardstock and polyurethane and polyisocyanurate insulation. We suggest that these documents be consulted as further background to support the questions SPI has raised regarding the uncertain viability of substitute CFCs, both technically and economically. The issues of substitute availability, cost of CFCs in the interim, and adequate time to make the transition given the kind of testing yet to be done are the overriding concerns for our industry.

Mr. Stephen Seidel
August 13, 1987
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We hope that our preliminary comments on the options you outlined are useful to you. We look forward to a continuing dialogue with the EPA on this matter. We again reiterate, however, our need for the relevant background documents to enable us to engage in a meaningful exchange of ideas with the Agency.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Margaret Rogers', is written over the typed name and title.

Margaret Rogers
Director, Federal Government
Affairs
The Society of the Plastics
Industry, Inc.

who moved in at Syria's behest to help repel the Israeli invasion of 1982 and stayed at Ayatollah Khomeini's behest to serve his goal of advancing the Iranian revolution. As Americans came bitterly to learn, the Iranians are specialists in using hostages to manipulate Western policy and public opinion. In the glory days of this line of Iranian conduct, the ayatollah helped unseat one American president, Jimmy Carter, and actually drew another, Ronald Reagan, into sending Tehran arms.

regards as being under its control. Charles Glass went from captivity to Syria, whose officials handed him over with a flourish to his own government. President Reagan responded graciously by saying he was glad and grateful. The American thinking apparently is that it makes sense to give Syria every inducement to keep up efforts to reclaim the other hostages. Eight Americans and 14 men from other foreign countries are left.

Washington Post - August 20, 1987

The Clean McAir Act

MCDONALD'S HAS taken the constructive step of telling its suppliers to stop using CFCs in the foam containers in which it puts its fancier hamburgers. CFCs or chlorofluorocarbons are compounds much used around the world in air conditioning, insulation, foam products and aerosol sprays and for other purposes. They have the great virtue of being neither toxic nor flammable. Their offsetting defect is that they last. When finally released, as almost all eventually are, they rise into the atmosphere and mix with and deplete the ozone layer that shields us from ultraviolet radiation. Scientists say a thinner ozone layer may eventually mean more skin cancer, poorer crops and an increase in the greenhouse effect, in which all the world turns to August.

The Carter administration banned use of CFCs as propellants in aerosol cans. Now the Reagan administration has taken the lead in seeking limits on production worldwide. An international proto-

col to that effect may be signed in Canada next month. The administration has been helped to its position by the fact that the chemical industry thinks it can produce acceptable substitutes for CFCs. It won't be that painful to convert.

McDonald's has set an example. Only a small percentage of CFCs is used in the packaging of food, and McDonald's represents a small percentage even of this. But its familiar containers had become a favorite symbol of the problem; the publicity was bad. Conversely, as Sen. Robert Stafford wrote the company last spring, its influence was likely to be strong.

Now a different gas will be used to produce the bubbles in the foam from which the burger boxes are made. There continues to be pressure on the company to stop using foam entirely, because it is not biodegradable, and to wrap all the burgers in paper, not just the lesser ones as now. But that's tomorrow's issue. On this, McDonald's has been a good citizen.

Benjamin Franklin's Closing

BENJAMIN FRANKLIN University was the first school in Washington to offer courses in accounting. For many years, the university dominated that profession in the District's job market. At one time, 40 percent of the accountants in this city were Benjamin Franklin University graduates. The school was an enormous asset

time faculty members are also needed, but most of Benjamin Franklin's faculty are accountants or lawyers who teach part-time. University officials say they simply can't afford to hire full-time faculty members and don't have the resources to begin a liberal arts program. One Maryland official said that the new requirements will build the

properly would have demanded that he do so.

Yes, Mr. Peled is a member of the Knesset, Israel's parliament. But why not identify his party affiliation, as is done every time a U.S. senator or congressman writes a letter? Inclusion of such information affords the reader the opportunity to evaluate a politician's position within its proper political context.

Matti Peled is one of two Knesset members representing the so-called Progressive List for Peace, a political faction anchored on the far left of Israeli politics. The PLP openly identifies itself with Yasser Arafat and, in effect, functions as his mouthpiece. Little wonder, then, that Mr. Peled would oppose the closure of the PLO's office in Washington. What else would Mr. Arafat's boy be expected to say?

That Israel would allow such a party the right to run in its elections and be elected to the Knesset is, certainly, a testament to the vitality of Israeli democracy. But no matter how Mr. Peled may seek to package himself for consumption abroad, he and his party remain on the lunatic fringe of Israeli politics. By refraining to supply this information to its read-

Knesset member Matti Peled's under the title "Why Not Tell the PLO?"

It is discouragingly infrequent that Americans get to hear from one of the "true Israeli"—the modern, nonvengeful or nonra- raeli who hopes to make a per- home in the state created United Nations in 1948. I most Israelis—and most Jew that matter—are more con- about living in peace and pro- than they are about whether the Palestinians survive.

Israeli newspapers, radio s seem to present a broader sp of opinion—from the militar- tremists on one side to the r on the other—while in the States we hear only about the tedly politically powerful) ext- Mr. Peled's letter represents trist position, understated and ous.

Could it be that the militar- trial-political complex in the States prefers that only the militarists be heard here?

RAYMOND J. Was

Rep. St Germain Replies

The U.S. Savings League clearly lost its battle to control the shape and size of the recapitalization of the Federal Savings and Loan Insurance Corporation. There is not an objective observer in Washington who would contend otherwise.

Yet, The Post, in its Aug. 9 editorial ["The St Germain Embarrassment"], slyly attempted to link my guidance of the FSLIC legislation to the lobbying position of the U.S. League. Nothing in the long fight over the legislation supports such an inference.

It is incomprehensible to me that The Post could ignore my floor management of a \$15 billion recapitalization plan on Oct. 8, 1986, over the opposition of the league, only to see the House-passed measure die in the final hours of the 99th Congress be-

ence. The league sought to l plan to \$5 billion, yet we were more than double that am- sought a sharp diminution of l eral Home Loan Bank Board's tory authority. The confere- stead adopted a much more r approach, preserving neces- thority for the FHLBB. Ag- record shows that I suppor- conference language in face- ing pressure seeking the w- version.

The final product was supp- an overwhelming majority houses and by the admini- Treasury Undersecretary Gould, who developed the- tration's plan and who work- with the home loan bank knows full well the extent of

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Ms. Suzanne Butcher
Office of Environment and Health
Department of State (OES/ENH)
Washington, D.C. 20520

Re: Comments on Seventh Revised Draft Protocol on
[Chlorofluorocarbons] [and Other Ozone Depleting
Substances]

Dear Ms. Butcher:

The Society of the Plastics Industry, Inc. (SPI)^{1/} is pleased to have this opportunity to comment on the Seventh Revised Draft Protocol on [Chlorofluorocarbons] [and Other Ozone Depleting Substances]. Its principal interest in the protocol derives from its members' use of CFCs in various important and useful applications.

SPI member companies with a specific interest in the protocol include manufacturers of raw materials used in making rigid foam plastic insulation and flexible polyurethane foam,

^{1/} The Society of the Plastics Industry, Inc. (SPI) is a corporation organized under the Not-for-Profit Corporation Law of the State of New York. Its 1,600 member companies and individuals and 29 operating units include those who supply raw materials; process or manufacture plastics or plastics products; engineer or construct molds or similar accessory equipment for the plastics industry; and engage in the manufacture of machinery used to make plastics products or materials of all types. SPI is the major national trade association of the plastics industry. The majority of its members are the processors and converters of plastic resins into end products which represent 75% of the dollar volume sale of plastics in this country.



PAST PERFORMANCE—FUTURE PROGRESS

producers of certain foam insulation products made using CFCs, and polyurethane insulating spray foam contractors. CFCs are used in these foam plastics as a blowing agent. Use in the foam blowing industry represents approximately 30% of the CFCs produced in the United States. CFCs are also used in another type of plastic, fluoropolymers.

Foam plastics insulation products are used to insulate residential and commercial buildings and refrigerators. They are also used in refrigerated rail and truck cars and for tank and pipe insulation. CFC blown foams have the highest R-values, or insulating ability, of all available insulation products. They thus provide an important contribution to the nation's energy-saving goals. These goals should be given special weight by the Department of State, particularly in light of current tensions in the mid-East, which may increase the possibility of future oil shortages. Flexible polyurethane foam is the principal cushioning material used in furniture and automobiles, bedding, and carpet cushion. It is also used in textile laminates and for packaging. Various types of foam plastics are also used in the packaging marketplace. Finally, fluoropolymers are used in the electrical and electronics industry, in chemical processing equipment, and for non-stick coating.

Clearly, SPI has a significant interest in any contemplated restrictions on CFCs. CFCs are a significant cost factor (20-30%) of many final products like foam plastic insulation.

Debate continues about ozone depletion and the causes for the depletion, and there are many as yet unanswered questions. While CFCs are thought to be at least partly involved in ozone depletion, many scientists have suggested that natural phenomena may be ultimately responsible for ozone level fluctuations. Nevertheless, and despite these scientific uncertainties, SPI does support a global strategy to control CFC emissions in the form of a freeze given the potential risks of ozone depletion. Existing data does not, however, suggest that there is imminent danger to health or the environment. Thus, severe curtailment of CFC production worldwide is not needed. Given this fact, as well as the usefulness of CFCs, the lack of available substitutes for many end-use applications, and remaining scientific uncertainties about the role of CFCs in the atmosphere, SPI opposes further reductions on CFC use beyond the contemplated freeze at present. SPI believes that further reductions should be made only when scientific evidence warrant them and substitutes are economically and technologically feasible.

It should be noted that in view of the estimated growth in CFCs, a freeze imposed in 1990 at 1986 production levels will reduce CFC consumption by some 12-15% in 1990, and cause severe hardship to industry and the public given the unproven status of substitutes in many end use markets. SPI's position is that the longest possible time frame should be allotted for users to adjust to any additional reductions on CFCs. At least 10 years are needed for many in the foam industry, particularly insulation manufacturers.

Further, since the U.S., in 1978, banned the use of CFCs in aerosols, the effect of even a production freeze on CFCs will be disproportionately greater on CFC users in the U.S. than in other countries. Other countries will be able to meet the required reductions by banning aerosols and not restricting other CFC uses. This will then give non-aerosol CFC users an advantage over their U.S. counterparts. Economic and technologically viable options exist today for the aerosol industry. Thus, a global ban on CFC use in aerosols would achieve CFC control goals and protect U.S. trade goals with minimal economic dislocations in the aerosol industry abroad. Because of this prior unilateral U.S. action, some "credit" should be accorded to the U.S. as a result of this action by adjusting the 1986 U.S. baseline production data to account for the previous ban, and should be reflected in the protocol. The same "credit" should be extended to other countries having banned CFCs in aerosols. Alternatively, a longer period of time should be allotted for all countries to achieve the control goals in order to limit the disproportionate impact on CFC using industries in the U.S.

Further reductions from the freeze level are contemplated in the protocol. Within four years of entry, production and consumption of CFCs must be reduced by 20%. This reduction occurs automatically. Subsequent reductions to achieve a cumulative total of 50% will occur unless a two-thirds majority representing at least 50% of global consumption oppose it. SPI believes that no additional reductions should be made unless a two-thirds majority representing at least 50% of global consumption affirmatively vote for the reduction. This same requirement should apply to any contemplated reductions, including the initial 20% reduction. Of course, no additional restrictions on CFCs should be adopted unless scientific evidence indicates that reductions are necessary to protect health and the environment.

The date at which further reductions in total CFC production should be made to achieve a cumulative total of 50%

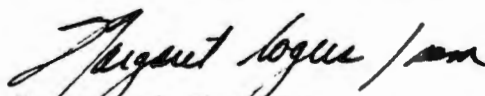
Ms. Suzanne Butcher
August 21, 1987
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reductions from 1986 levels is still apparently under negotiation. In SPI's view, an additional two year delay before requiring further reductions is especially important for industries like the foam plastics industry where the critical path to chemical substitutes is a long one. A longer time table will help reduce the economic impact of the reductions on user industries. SPI has estimated that at least seven to ten years of work will be necessary to ensure that chemical substitutes can be commercially used in foam plastic products. Given that CFC producers themselves estimate a 3-5 year period will be required for substitute CFCs to be made commercially available (with some producers advising that at least 7 years will be needed for full commercialization of alternatives), the time for implementation of all phases of the CFC control strategy is a critically important aspect. Thus, SPI urges that the longest possible time frame be incorporated in the protocol.

Another issue relates to the definition of consumption. The U.S. is a net importer of CFCs. Other countries which now export CFCs could reduce exports and still meet the constraints of the protocol. This would further increase the scarcity of CFCs for U.S. users since U.S. production levels could not increase past 1986 levels to offset a loss in amounts currently imported. In addition, the definition would allow producing countries who are signatories to the protocol to export CFCs to non-signatory countries and to subtract the full amount of the exports from their constraints on consumption under the protocol. To encourage other countries to join the protocol and to continue to address goals of global ozone control, exports to non-signatory countries should not be subtracted.

SPI urges the United States Government to incorporate these views in its position on the proposed protocol.

Respectfully submitted,



Margaret Rogers
Director, Federal Government
Affairs
The Society of the Plastics
Industry, Inc.

cc: Stephen Seidel

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August 27, 1987

The Honorable John C. Whitehead
Deputy Secretary of State
Main State Department Bldg.
2201 C Street, NW
Room 7220
Washington, DC 20520

Dear Secretary Whitehead:

On behalf of the Society of the Plastics Industry, I am writing to request a meeting to discuss our concerns relative to chlorofluorocarbons (CFCs) and the draft protocol to the ozone convention. I would like for you to meet with representatives of our multi-billion dollar CFC-dependant industry segments whose businesses will be significantly negatively impacted by the imposition of restrictions on CFCs.

SPI member companies with a specific interest in the protocol include manufacturers of raw materials used in making rigid foam plastic insulation and flexible polyurethane foam, producers of certain foam insulation products made using CFCs, and polyurethane insulating spray foam contractors. While CFC-11, and to a lesser extent CFC-12, acts as an expansion or blowing agent during foam formation, its primary function in insulation products is to remain in the foam as an insulating gas. CFCs have a very low thermal conductivity which results in excellent resistance to heat transfer. CFCs have a number of other characteristics which make them highly desirable to use: they are relatively safe in the workplace as they are non-flammable and have very low toxicity characteristics. They are chemically inert and have excellent compatibility with other materials. Any proposed substitute must have all of these characteristics. It is estimated that use in the foam blowing industry represents approximately 30% of the CFCs produced in the United States.

CFCs are a significant cost factor (20%-30%) of many final products like foam plastic insulation. Any restriction on CFCs will increase their prices. For example, one of our member companies analyzed the impact of tripling the cost of the CFC blowing agent. The study concluded that 50% of the existing rigid polyurethane market for roofing and siding would be lost. Further, the study concluded that chemical substitutes would in general be more flammable and poor insulators. Therefore, any government action related to CFCs would have a major impact on our industry.

Foam plastics insulation products are used to insulate residential and commercial buildings and refrigerators. They are also used in refrigerated trucks and rail cars and for tank and pipe insulation. CFC blown foams have the highest R-values, or insulating ability, of all available insulation products. They thus provide an important contribution to the nation's energy-saving goals. These goals should be given special weight by the Department of State, particularly in light of current tensions in the Mid-East, which may increase the possibility of future oil shortages. Flexible polyurethane foam is the principle cushioning material used in furniture and automobiles, bedding, and carpet cushion. It is also used in textile laminates and for packaging. Various types of foam plastics are also used in the packaging marketplace. Finally, CFCs are also used to make fluoropolymers which are used in the electrical and electronics industry, in chemical processing equipment, and for non-stick coating.



PAST PERFORMANCE—FUTURE PROGRESS

It has been estimated that in the United States alone, chlorofluorocarbons are used by 5,000 businesses at 375,000 locations to produce goods and services worth more than \$28 billion a year. Further, it has been estimated that more than 715,000 jobs depend on CFCs. In addition to those in the plastics foam industry, CFCs are a critical as: coolants and refrigerants in the air conditioning and refrigeration industries, as cleaning agents for micro chips and other components of electronic equipment, as food freezants, as sterilants in hospitals and in the manufacture of medical equipment. Overall, CFCs make major contributions to the quality of life as well as substantial contributions to energy conservation efforts and to the national economy.

The following are specific issues of concern to SPI and the CFC-dependant segments of the plastics foam industry:

(1) SPI opposes reductions of CFCs beyond the contemplated freeze; SPI also believes that further reductions should be made only when scientific evidence warrant them and substitutes are economically and technologically feasible.

Debate continues about ozone depletion and the causes for the depletion, and there are many as yet unanswered questions. Nevertheless, and despite the scientific uncertainties, SPI does support a global strategy to control CFC emissions in the form of a worldwide freeze given the potential risks of ozone depletion. Existing data does not, however, suggest that there is imminent danger to health or the environment. Thus, severe curtailment of CFC production worldwide is not needed. Given this fact, as well as the usefulness of CFCs, the lack of available substitutes for many end-use applications, including most plastics foam applications and remaining scientific uncertainties about the role of CFCs in the atmosphere, SPI opposes further reductions of CFC use beyond the contemplated freeze.

(2) (a) If the United States agrees to reductions beyond a freeze, SPI's position is that the longest possible time frame should be allotted for users to adjust to any additional reductions of CFCs. At least 10 years are needed for many in the foam industry, particularly insulation manufacturers.

An extended time frame for implementation of any further reduction in CFCs is especially important for industries like the foam plastics industry where the critical path to chemical substitutes is a long one. A longer timetable will help reduce the economic impact of the reductions on user industries. SPI has estimated that at least 7 to 10 years of work will be necessary to ensure that chemical substitutes can be commercially used in the foam plastics product. Given that CFC producers themselves estimate that a 3-6 year period will be required for substitute CFCs to be made commercially available (with some producers advising that at least 7 years will be needed for full commercialization of alternatives), the time period for implementation of all phases of the CFC control strategy is a critically important aspect of the protocol.

b) We urge the State Department to be sensitive to the fact that regulations which are too stringent may stop development of CFC substitutes. Regulations that cause the collapse of businesses that are dependent on CFCs, such as foam blown plastics which represent a major market for CFCs, will diminish the market for substitute CFCs, thus reducing the incentive for producers to invest in substitute development. A realistic regulatory time frame is critical to reduced pressure on CFC prices which is essential for foam blown plastics businesses to survive until substitutes are available.

c) Delaying CFC rollbacks produces no significant increase in ozone depletion. An analysis using the ozone depletion models of the Chemical Manufacturers Association show a minimal, if any, impact on ozone depletion. Therefore, delaying the regulatory timetable is a sensible policy since it reduces the economic burden on industry, increases incentives for the producers to develop substitutes, and causes little or no increase in environmental effects.

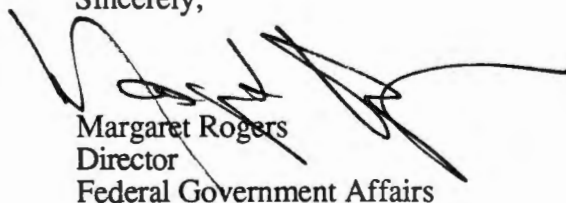
(3) If the United States agrees to CFC reductions beyond a freeze, SPI believes that the protocol should state that no additional reductions should be made unless agreed to by affirmative votes representing two-thirds of world consumption. (This recommendation is somewhat different from our written comment to Ms. Suzanne Butcher on August 21; it reflects our further consideration of this issue.)

(4) Since the U.S. unilaterally banned the use of CFCs in aerosols in 1978, we believe that some "credit" should be accorded to the U.S. as a result of this action. We understand that the issue of this unilateral action by the U.S. was not raised in the negotiations and we are puzzled by that fact. We further understand that the easiest, most environmentally significant step that could be taken would be a worldwide ban on CFC use in aerosols because the substitute technology has been available for many years, and reportedly according to the National Oceanic and Atmospheric Administration, such a worldwide ban would result in a 30% reduction in CFC emissions.

(5) We are aware that there are a number of outstanding issues to be resolved in the protocol. SPI believes that this resolution includes complex economic and technological feasibility issues that must be assessed in detail to fully understand the impact of any restrictions on CFCs. SPI therefore urges the State Department to seek out and consider the perspectives of all relevant government bodies including - The White House, the Office of Management and Budget, the Departments of Commerce, Energy, Interior, Justice; the U.S. Trade Representative and the Environmental Protection Agency - so that it can make the most informed decisions with respect to an international protocol.

We appreciate your consideration of our concerns and look forward to an affirmative response to our request for a meeting at your earliest convenience.

Sincerely,



Margaret Rogers
Director
Federal Government Affairs

MR/cmc

cc: Honorable Richard Benedick
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August 27, 1987
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August 27, 1987
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