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ROUTINE

RECORD # \_\_\_\_\_

FROM LOCATION

1 S. Butcher

TO LOCATION/TIME OF RECEIPT

1 ~~F. Santucci~~

2 Bill Courtney

3 Grant Green

4 West Wing Det

5 ~~Vicki Masterman~~

6 \_\_\_\_\_

7 \_\_\_\_\_

INFORMATION ADDRESSES LOCATION/TIME OF RECEIPT

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87 JUL 30 AM 11:28  
SITUATION ROOM

SPECIAL INSTRUCTIONS REMARKS:

CLASSIFICATION



United States Department of State

Bureau of Oceans and International  
Environmental and Scientific Affairs

Washington, D.C. 20520

RAPIDFAX

CANON FAX-520

Date: 7/30/87

Time: 1035

FROM

Name: Suzanne Butcher Tel. No. 647-9312

Office Symbol/Number: OES/ENH Fax No. 202 647-1106

Document Description: Memo for Pages to Follow: 2

Frank Carlucci

\*\*\*\*\*1/\*\*\*\*\*:\*\*\*\*\*

TO

Name: Vicki Masterman or Tel No. 456-6640

Ralph Bledsoe

Office Symbol/Number DPC/OEOB-Rm 200 Fax No. 395-5221

\*\*\*\*\*

MESSAGE



United States Department of State

Washington, D.C. 20520

MEMORANDUM FOR MR. FRANK C. CARLUCCI  
THE WHITE HOUSE

Subject: Draft Protocol on Ozone-Depleting Substances

Please advise Ms. Nancy Risque, Cabinet Secretary and Assistant to the President, that the United Nations Environment Program (UNEP) secretariat has released the Seventh Revised Draft Protocol on Chlorofluorocarbons and Other Ozone Depleting Substances. The draft protocol is being circulated by UNEP to all governments invited to the September 14-16 Diplomatic Conference in Montreal and is available from UNEP in Nairobi to all interested parties.

Continuing the effort we have made throughout the negotiations to keep interested parties in the United States informed and to consider their views, we plan to provide copies of the Seventh Revised Draft Protocol to representatives of producer and user industries, nongovernmental organizations, and the Congress.

Melvyn Levitsky  
Executive Secretary

Attachment:

Covering memorandum and  
Seventh Revised Draft Protocol



United States Department of State

*Bureau of Oceans and International  
Environmental and Scientific Affairs*

*Washington, D.C. 20520*

July 30, 1987

In connection with the Conference of Plenipotentiaries on a Protocol to the Vienna Convention for the Protection of the Ozone Layer, scheduled for September 14-16, 1987, the United Nations Environment Program (UNEP) has now released the Seventh Revised Draft Protocol on Chlorofluorocarbons and Other Ozone-Depleting Substances. This document, a copy of which is attached, is a result of several international negotiating sessions held under UNEP auspices since December 1986. UNEP has circulated the draft protocol for consideration by governments before the final negotiating session, September 8-11.

Comments from interested parties are welcome and should be sent by August 21 to:

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

OES/ENH 99

Debbie Kennedy's  
summary of what  
we expect to  
receive from  
UNEP 7/13

## ARTICLE 2: CONTROL MEASURES<sup>1)</sup>

1. Each Party shall ensure that within one year of the entry into force of this Protocol, production in and imports into its jurisdiction of the controlled substances\* do not exceed the level of production and the level of imports respectively in 1986. This paragraph shall remain in effect until four years after the entry into force of this Protocol.<sup>2)</sup>

- 
- 1) All of the figures in this Article, whether or not in square brackets, were inserted by the Executive Director after his informal consultations in Brussels 29-30 June. The structure of the draft text was prepared by the Legal Drafting Group, which was mandated to deal with "outstanding legal and institutional matters."
  - 2) In the opinion of the Legal Drafting Group, the formulation of paragraphs 1, 2 and 3 does not make it sufficiently clear how the control measures are to apply to States which became Parties to the Protocol after its entry into force. This question could be dealt with by adding a paragraph, at any appropriate place in the Protocol, along the following lines: "Any State or regional economic integration organization which becomes a Party to this Protocol after its entry into force, shall fulfill forthwith the sum of the obligations under Article 2, subject to Article 7, that apply at that date to the States and regional economic integration organizations that became Parties on the date the Protocol entered into force."

\* Ed. Note: "Controlled substance" is defined in Article 1 as a substance listed in Annex A to this Protocol whether existing alone or together with any other substance, but not including a product or a mixture where the substance listed in Annex A constitutes less than 20 percent, by weight or volume, of the product or mixture. The substances currently listed in Annex A are CFC 11, 12, 113, 114, and 115.

[2. Each Party shall ensure that within three years of the entry into force of this Protocol, production in and imports into its jurisdiction of Halons 1211 and 1301 do not exceed the level of production and the level of imports respectively in 1986.]<sup>3)</sup>

3. Each Party shall ensure that within four years of the entry into force of this Protocol, production and consumption in its jurisdiction of the controlled substances do not exceed eighty percent of the level of production and the level of consumption respectively in 1986.<sup>4)</sup>

- 
- 3) The Legal Drafting Group did not attempt to revise the formulation of Article 2 paragraph 2. Questions remain regarding whether and, if so, how Halons should be dealt with in the Protocol. For example, should the control measures which apply to CFCs apply to Halons also? An alternative to this paragraph in the form of a resolution of the Montreal Conference has been proposed as follows:

Recognizing that there is serious concern about the likely adverse effects on the ozone layer of Halons 1211 and 1301, and that there is need for more data and information regarding their use, emission rates and ozone depleting potential,

Alternative 1

[Decides that these compounds shall be frozen at their 1986 production levels within the scope of the Protocol, at the first meeting of the Parties following the first scientific review in 1990.]

Alternative 2

[Decides that a decision on the freeze of these compounds at their 1986 production levels, within the scope of the Protocol, shall be made at the first meeting of the Parties to be held after the first scientific review in 1990.]

A question is also raised regarding whether the reference to the year 1990 in the first and second alternatives for the second paragraph of this draft resolution is correct. Article 6 suggests that perhaps the date for the first scientific review should be 1989.

- 4) The Legal Drafting Group notes that in paragraphs 3 and 4 of Article 2, the year "1986" is used as the base year for calculating production and consumption controls. However, the possibility of using "1990" as the base year for consumption controls was included as an option by the Formula sub-working group. If it is decided in Montreal to use 1990 as the base year for consumption controls, some re-drafting of these paragraphs will be necessary.

4. Each Party shall ensure that within [eight] [ten] years of the entry into force of this Protocol, production and consumption in its jurisdiction of the controlled substances do not exceed [fifty] percent of the level of production and the level of consumption respectively in 1986, unless the Parties decide otherwise by a two-thirds majority representing at least [fifty] percent of global consumption<sup>5)</sup> of those substances in the light of the assessments referred to in Article 6. Such decision shall be taken not later than [four] years after entry into force of the Protocol.

5. Based on assessments made pursuant to Article 6, Parties shall decide by [two-thirds majority] [a majority vote] representing at least [fifty] percent of global consumption:

- (a) whether substances should be added to or removed from Annex A;
- (b) whether further reduction from 1986 levels should be undertaken with the objective of eventual elimination of production and consumption of the controlled substances except for uses for which no substitutes are commercially available.<sup>6)</sup>

[6. Productions are permitted to transfer from one country to another if these transmissions are certain not to cause an increase of production.]

7. The provisions contained in this Article do not prevent Parties from taking more stringent measures than those required by this Article.

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5) The Legal Drafting Group notes that it would be unlikely that global consumption figures would be available since data would not necessarily be available from non-Parties. In Article 2 paragraphs 4 and 5 "total consumption of the Parties" could be substituted for "global consumption." See also Article 15, paragraph 1.

6) The Legal Drafting Group notes that sub-paragraph (a) does not indicate what control measures should apply to substances to be added to Annex A. It further notes that paragraph 5 does not deal with the question of the entry into force of any changes to Annex A decided by the Parties. It is unclear whether changes adopted by majority vote are intended to bind all Parties, or whether the intent is that such changes would bind only Parties that have agreed to them.



ARTICLE 4: CONTROL OF TRADE WITH NON-PARTIES 1)

1. Within [one] year of the entry into force of this Protocol, each party shall ban the import [and export] of the controlled substances from [or to] any State not Party to this Protocol.

2. Alternative 1

[Within [four] years of the entry into force of this Protocol, each Party shall ban imports of products identified in Annex B containing controlled substances from any State not Party to this Protocol. The Parties shall periodically review, and if necessary, amend Annex B.]<sup>2)</sup>

Alternative 2

[Within [four] years of the entry into force of this Protocol, each Party shall ban or restrict imports of products containing controlled substances from any State not Party to this Protocol. At least one year prior to the time such measures take effect the Parties shall elaborate in an annex a list of the products to be banned or restricted and standards for applying such measures uniformly by all Parties.]

- 
- 1) Incorporates results of consultations of the Trade sub-group in Brussels, 29-30 June 1987. It was agreed by that group that the years in paragraphs 1 and 2 of this Article should be the same as the years used in paragraphs 1 and 3 of Article 2 respectively.
  - 2) There are a number of provisions in the draft text -- e.g., Article 2 paragraph 5 and Article 4 -- where changes or amendments to Annexes and the adoption of new annexes are envisaged. It was not clear from the draft text what procedures were intended by the adoption of such changes. The Convention provides procedures for the amendment and adoption of annexes and for amendments to protocols. [See Articles 9 and 10 of the Convention.] The Legal Group noted that Article 10 paragraph 1 of the Convention provides that annexes "shall be restricted to scientific, technical and administrative matters," and it would be up to the meeting in Montreal to decide whether the proposed annexes are of that character; or indeed whether these matters could be dealt with in the main body of the Protocol or could be considered as a normal implementation of the Protocol. There was also discussion among the legal experts as to, inter alia, if procedures other than those specifically provided for in the Convention are adopted by the Parties, the extent to which they can vary from the Convention provisions on this point. These issues should be addressed in Montreal.

3. Within [four-six] years of the entry into force of this Protocol, the Parties shall determine the feasibility of banning or restricting imports of products produced with controlled substances from any State not Party to this Protocol. If determined feasible, the Parties shall ban or restrict such products and elaborate in an annex a list of the products to be banned or restricted and standards for applying such measures uniformly by the Parties.

4. Each Party shall discourage the export of technology to any State not Party to this Protocol for producing and using the controlled substances.

5. Parties shall not conclude new agreements to provide to States not Party to this Protocol bilateral or multilateral subsidies, aid, credits, guarantees or insurance programmes for the export of products, equipment, plants or technology for producing the controlled substances.

6. The provisions of paragraphs 4 and 5 shall not apply to products, equipment, plants or technology which improve the containment, recovery, recycling or destruction of the controlled substances, or otherwise contribute to the reduction of emissions of these substances.

7. Notwithstanding the provisions of this Article; imports referred to in paragraphs 1, 2 and 3 may be permitted from any [State not Party] [signatory] to this Protocol for a period not to exceed [two] [three] years from entry into force of the Protocol if that State is in full compliance with Article 2 and this Article and has submitted data to that effect, as specified in Article 7. [Extension of the exemption period beyond 2-3 years shall be granted by Parties only upon a determination at a meeting of the Parties that: (a) all conditions specified in this paragraph have been met, and (b) such extension for an additional period not to exceed [two-three] years is fully consistent with the objectives of this Protocol to protect the ozone layer.]<sup>3</sup>

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3) The Legal Drafting Group considers that further work to define the objectives of this paragraph needs to be carried out before satisfactory legal drafting can be done.

## ARTICLE 6: REVIEW AND ASSESSMENT OF CONTROL MEASURES

Beginning in 1990<sup>1)</sup>, and every four years thereafter, the Parties shall assess the control measures provided for in Article 2, based on available scientific, environmental, technical, and economic information. At least one year before each of these assessments, the Parties shall convene a panel of scientific experts, with composition and terms of reference determined by the Parties, to review advances in scientific understanding of modification of the ozone layer, and the potential health, environmental and climatic effects of such modification.

- 
- 1) The Legal Drafting Group noted that the requirement to hold the first assessment in 1990 is dependent on the Protocol being in force by that date.

ARTICLE 7: REPORTING OF DATA\*

1. Each Party shall provide to the Secretariat, within three months of becoming a Party, data on its production, imports and exports of the controlled substances for the year 1986 or estimates of that data where actual data are not available.

2. Each Party shall provide data on its production, exports, imports and destruction of these substances for the calendar year during which it becomes a Party and for each year thereafter.<sup>1)</sup>

- 
- 1) There was some discussion as to whether the fact that such data would be collected and submitted to the Secretariat on a calendar year basis would create an ambiguity for measuring compliance with the control measures which, as currently drafted would take effect a certain number of years after entry into force of the Protocol. As Article 2 is currently drafted, it is not clear whether a Party would measure its compliance to a reduction step by the data for that previous calendar year or data for the year in which the particular obligation takes effect.

\* Ed. Note: See also Article 10 on Meetings of the Parties and Article 11 on Functions of the Secretariat. Provisions of those Articles relevant to reporting of data also are reproduced infra.

ARTICLE 10: MEETINGS OF THE PARTIES

. . . . .

4. The functions of the meetings of the Parties shall be. . . .

(b) to establish, where necessary, guidelines or procedures for reporting information as provided for in Articles 7 and 8.\*

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\* Ed. Note: Article 8 relates to research, development and exchange of information on best practicable technologies for reducing emissions of the controlled substances, possible substitutes for those substances, and costs/benefits of control strategies.

ARTICLE 11: SECRETARIAT

The Secretariat shall. . . .

- (b) Distribute annually to the Parties data received pursuant to Article 7;
- (c) Prepare and distribute to the Parties regularly a report based on information received pursuant to Articles 7 and 8.

## ARTICLE 15: ENTRY INTO FORCE

1. The Protocol shall enter into force on the same date as the Convention enters into force, provided that at least [nine] instruments of ratification, acceptance, or approval of or accession to the Protocol have been deposited [by States or regional economic integration organizations representing at least sixty percent of 1986 global production of the controlled substances.<sup>1)</sup> In the event that [nine] such instruments have not been deposited by the date of entry into force of the Convention, this Protocol shall enter into force of the [ninetieth]<sup>2)</sup> day following the date of deposit of the [ninth] instrument of ratification, acceptance, or approval of or accession to the Protocol [by States or regional economic integration organizations representing at least sixty percent of 1986 global production of the controlled substances].<sup>1)</sup>
2. For the purposes of paragraph 1, any instrument deposited by a regional economic integration organization referred to in Article 12 of the Convention shall not be counted as additional to those deposited by member States of such organizations.
3. After the entry into force of this Protocol, any State or regional economic integration organization referred to in Article 12 of the Convention shall become a Party to it on the [ninetieth]<sup>2)</sup> day following the date of deposit of its instrument of ratification, acceptance, approval or accession.

- 
- 1) Resulting from Executive Director's consultations in Brussels on 29-30 June 1987. The Executive Director has requested Governments to submit data regarding their estimated imports. If sufficient data are available for the preliminary session in Montreal, a certain percentage of imports could be added to this provision.

A proposal was made to the Legal Drafting Group that would have the effect of applying similar provisions to the entry into force of amendments, additional annexes, or amendments to annexes to this Protocol. This proposal was not discussed fully because of time constraints and limited country representation. Also, a view was expressed that the proposal raised new substantive issues.

- 2) The Convention provides that a State or regional economic integration organization may not become a Party to a Protocol unless it is, or becomes at the same time, a Party to the Convention (Article 16). It also provides that the Convention enters into force on the ninetieth day after the deposit of the twentieth instrument of deposit of ratification, and (after it has entered into force) for each ratifying State on the ninetieth day after the deposit of that State's instrument of ratification [Article 17]. To prevent a situation arising in which a State's (or organization's) ratification of the Protocol might appear to be effective before the State (or organization) had become a Party to the Convention, it was necessary to substitute "thirtieth" for "ninetieth" in the Article on Entry into Force in the Protocol. This might also be desirable in order to avoid the possibility that the Protocol might appear to enter into force before the Convention.

DRAFT

STATEMENT ON STATUS OF OZONE NEGOTIATIONS

Progress continues to be made in efforts to negotiate, and to conclude in mid-September, an international agreement to protect the stratosphere from ozone-depleting chemicals by regulating the production and use of certain chlorofluorocarbons (CFCs) and halons. The United Nations Environment Programme (UNEP), under the leadership of Dr. Mostafa Tolba, is playing the central role in bringing together governments from around the world to address this global concern, including all nations which are major producers and consumers of CFCs and halons, as well as developing countries.

The negotiations were resumed last year following a stalemate in 1985. At that time, the United States, Canada and the Nordic nations believed that further significant actions were needed to protect the ozone layer, while others, notably the European Community, Japan and the Soviet Union, were hesitant to undertake additional measures because of economic considerations and scientific uncertainties.



Since 1985, comprehensive international reviews of the scientific knowledge, of technical alternatives for addressing the problem, and of the economic impacts of various regulatory options, have been undertaken. The public both here and abroad has gained increased understanding of the threat to the ozone layer, and to the health and well-being of future generations, posed by these chemicals.

Although it would not be appropriate to discuss details of the negotiations at this stage, the U.S. Government believes that the key points of the draft protocol text produced by Dr. Tolba following international negotiations in Brussels last month represent a balanced and reasonable approach to these complex issues. We believe Dr. Tolba's approach is fully consistent with the state of scientific knowledge and reflects a balance of the economic and social benefits, risks and costs involved.

*elements*  
*che*  
*b-4 rest to Pres.*

Dr. Tolba's text contains elements of an international accord which the United States considers absolutely essential. These include: ratification by the major producers and consumers of CFCs before the protocol enters into force; a near-term freeze at 1986 levels of production and consumption of the principal ozone-depleting CFCs and halons; periodic assessments of scientific, technical and economic considerations to ensure that the control measures are soundly grounded or are revised to take account of evolving understanding; substantial, phased reductions of the CFCs in subsequent years, both to protect the atmosphere and to encourage development of alternative chemicals; and a stated ultimate goal of eventually eliminating realistic threats to the ozone layer from man-made chemicals, as determined by the regularly scheduled scientific assessments.

The U.S. further believes that the protocol must contain trade restrictions applied to CFC-related imports from countries which do not join or comply with the protocol, in order to ensure that nations not accepting their share of this global responsibility do not profit by such a decision. The U.S. also favors some limited grace period for developing countries, in recognition of their special circumstances and to encourage their participation.

Finally, the U.S. believes that the protocol should contain strong provisions for reporting, monitoring and enforcement, and that future decisions under the protocol should be made under a system of voting that gives appropriate weight to the significant producing and consuming countries.

The negotiations continue to be difficult, and much work remains to be done. Nevertheless, the United States believes that it is essential that the other principal producer and consumer countries, notably the European Community, Japan, and the Soviet Union, join with us in an effective international control regime. We are working hard to achieve agreement on a meaningful international accord which can be signed in Montreal in September as currently scheduled.

any others?  
shd we  
list  
them?

THE WHITE HOUSE

WASHINGTON

July 10, 1987

MEMORANDUM FOR NANCY J. RISQUE

FROM:

VICKI MASTERMAN



SUBJECT:

Stratospheric Ozone -- Public Statement

The State Department is providing a final draft public statement on the status of the ozone negotiations this afternoon. This draft should reflect EPA's comments and our comments on the draft you received yesterday from Richard Benedick. A copy of yesterday's draft with our comments is attached.

Mr. Benedick is scheduled to appear on two USIA "Worldnet" programs next week to discuss the ozone negotiations. Mr. Benedick would like to use this draft statement in the Worldnet programs, in responding to inquiries from interested parties, and possibly in congressional briefings. According to State, the Worldnet programs were scheduled a long time ago.

I relayed to Mr. Benedick's staff the information I received from Hanns -- that no public statements would be made until we receive the Chairman's Text. They were not aware of this and noted that Mr. Benedick's appearances on Worldnet may precede our receipt of the Chairman's Text. I asked them to let us know if this will be the case.

Attachment

cc: Ralph Bledsoe  
Hanns Kuttner

[ 1 -  
DRAFT

## STATEMENT ON STATUS OF OZONE NEGOTIATIONS

*Programme has continuing in the ongoing*  
~~Efforts are proceeding at a satisfactory pace~~ to conclude by September an international agreement to protect the atmosphere from ozone-depleting chemicals by regulating the production and use of certain chlorofluorocarbons (CFCs) and halons. The United Nations Environment Programme (UNEP), under the able leadership of Dr. Mostafa Tolba, continues to play an important role in bringing together governments from around the world to address these global concerns, including all nations which are major producers and consumers of CFCs and halons.

These negotiations were resumed last year following a stalemate in 1985 between ~~those~~ *two groups of* governments, including the United States, which believed that further significant actions were needed to protect the ozone layer, and others, notably the European Community, Japan and the Soviet Union, which were hesitant to undertake additional measures at that time because of economic considerations and scientific uncertainties.

Since 1985, the public both here and abroad <sup>has</sup> gained increased understanding of the threat to the ozone layer, and therefore to the health and well-being of future generations, posed by these chemicals. <sup>to present</sup> International reviews of the ~~state of~~ scientific knowledge, of technical alternatives for addressing the problem, and of the economic impacts of various regulatory options, <sup>undertaken</sup> have been careful and comprehensive.

Although it would not be appropriate to discuss details of the negotiations at this stage, the U.S. Government believes that <sup>key points of the</sup> the draft protocol text produced by Dr. Tolba, following international negotiations in Brussels last month, represents a balanced and reasonable approach to these complex issues. We believe Dr. Tolba's approach is fully supported both by the scientific evidence and by any reasonable analysis of the economic benefits and costs involved.

Requirement

~~the concept~~ that the major producers and consumers of CFCs must ratify before <sup>-3-</sup> the protocol enters into force;

Dr. Tolba's text reflects elements of an international accord which the United States considers absolutely essential. These include: a near-term freeze at 1986 levels of production and consumption of the principal ozone-depleting CFCs and halons; scheduled substantial reductions of the CFCs in subsequent years, both to protect the atmosphere and to encourage development of alternative chemicals; periodic assessments of scientific, technical and economic considerations to ensure that the control measures are soundly grounded or are revised to take account of evolving understanding; and a stated ultimate objective of eventually eliminating realistic threats to the ozone layer from man-made chemicals, as determined by the regularly scheduled scientific assessments.

The U.S. further believes that the protocol must contain trade restrictions <sup>applied to</sup> ~~against~~ CFC-related imports from countries which do not join or comply with the protocol, ~~provisions~~ in order to ensure that nations <sup>not accepting</sup> ~~which do not accept~~ their share of this global responsibility do not profit by such a decision. In order to encourage participation by all countries, the U.S. also favors some limited grace period for developing countries.

Finally, the U.S. believes that the protocol should contain strong provisions for reporting, monitoring and enforcement, and that future decisions under the protocol should be made under a system of voting that gives appropriate weight to the significant producing and consuming countries.

The negotiations continue to be difficult, and much work remains to be done. Nevertheless, the United States <sup>no</sup> hopes that the other principal producer and consuming countries, notably the European Community, Japan, and the Soviet Union, will join with us and others in Montreal in September to sign an effective and meaningful international accord.

→ Believes it essential that

either cut sentence to say the U.S. considers it essential that these other countries join.



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100 pm

HOUSE  
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MB

187

Mr. Gary Squisley  
792 Montros  
Palo Alto, California 94803

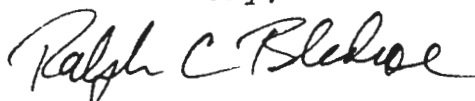
Dear Mr. Squisley:

Thank you for the petition signed by you and eleven of your neighbors requesting strong U.S. support for an international agreement to prevent depletion of the ozone layer. At President Reagan's direction, the U.S. Government has ratified the Vienna Convention for the Protection of the Ozone Layer and is continuing to lead the ongoing international negotiations toward a protocol on the control of ozone-depleting chemicals.

As you may know by now, an intensive inter-agency review has resulted in the President recently affirming U.S. support of an effective international protocol to control ozone-depleting chemicals. The U.S. delegation to the international ozone negotiations is pursuing this objective, and it is anticipated that an acceptable agreement can be signed in Montreal in September. It truly will take an effort by the large individual countries to protect the stratospheric ozone layer.

Again, thank you for expressing your concern to us on this important issue.

Sincerely,



Ralph C. Bledsoe  
Special Assistant to the President

THE WHITE HOUSE  
WASHINGTON

June 30, 1987

Dr. James A. Hamilton  
2643 Union Street  
San Francisco, California 94123

Dear Dr. Hamilton:

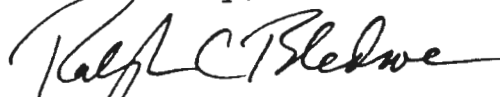
Thank you for your recent letter regarding the stratospheric ozone issue. Thank you also for enclosing a chapter of your forthcoming book.

As your chapter indicates, Federal scientists and policymakers are devoting substantial attention to the question of stratospheric ozone depletion. At President Reagan's direction, the United States Government has ratified the Vienna Convention for the Protection of the Ozone Layer and has been a leader in international negotiations toward a Protocol on the Control of Chlorofluorocarbons.

As a result of an intensive interagency review, the President recently affirmed U.S. support of an effective international protocol to control ozone-depleting chemicals. This objective is being pursued in United Nations Environment Program meetings this week.

Thank you for expressing your concern to us on this important issue.

Sincerely,

A handwritten signature in dark ink, appearing to read "Ralph C. Bledsoe". The signature is fluid and cursive, with the first name "Ralph" being the most prominent part.

Ralph C. Bledsoe  
Special Assistant to the President

June 29, 1987

OZONE NEGOTIATIONS

Q: What has the President decided on our position in the international negotiations on control of chemicals that deplete the ozone layer?

A. THE REVIEW OF THE U.S. POSITION HAS ~~W~~AFFIRMED OUR SUPPORT FOR AN EFFECTIVE INTERNATIONAL PROTOCOL TO CONTROL OZONE-DEPLETING CHEMICALS. THIS OBJECTIVE WILL BE PURSUED IN MEETINGS WHICH WILL TAKE PLACE IN BRUSSELS MONDAY AND TUESDAY, JUNE 29-30, WITH U.N. ENVIRONMENT PROGRAM EXECUTIVE DIRECTOR MOSTAFA TOLBA AND OTHER KEY PARTICIPANTS IN THIS INTERNATIONAL NEGOTIATION.

Drafted: OES/ENH:SB<sup>LB</sup>utcher/OES:JDNegroponte  
6/26/87:x79312

Clearances: PA: CRedman  
OES: AParker  
White House: LArsht  
D: JTimbie

# OFFICE OF CABINET AFFAIRS

## TENTATIVE CABINET SCHEDULE

AS of: June 5, 1987

6/8	6/9	6/10	6/11  DOMESTIC POLICY COUNCIL MEETING 11:00 a.m. Roosevelt Room -- Stratospheric Ozone	6/12
<b>MONDAY</b>	<b>TUESDAY</b>	<b>WEDNESDAY</b>	<b>THURSDAY</b>	<b>FRIDAY</b>
6/15	6/16  DOMESTIC POLICY COUNCIL MEETING 2:00 p.m. Roosevelt Room -- Agenda TBD	6/17	6/18  CABINET BREAKFAST 7:30 a.m. Cabinet Room  CABINET/CABINET COUNCIL MEETING WITH THE PRESIDENT 2:00 p.m. Cabinet Room	6/19

\*ISSUES SCHEDULED FOR WEEK OF

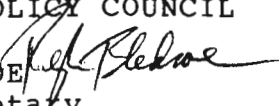
THE WHITE HOUSE

WASHINGTON

June 16, 1987

MEMORANDUM FOR THE DOMESTIC POLICY COUNCIL

FROM:

RALPH C. BLEDSOE   
Executive Secretary

SUBJECT:

New Draft of Stratospheric Ozone Memorandum

Attached is a revised draft of the decision memorandum on Stratospheric Ozone. An attempt has been made to incorporate most of your previous comments.

Please review this draft and provide comments on your agency's position on each of the issues. Since some of the options have changed, and there is one new issue, agency positions should be checked.

Comments are due in my office, Room 200-OEOB, telephone 456-6640, by 10 a.m. tomorrow, Wednesday, June 17, 1987.

# DRAFT

THE WHITE HOUSE

WASHINGTON

June 15, 1987

MEMORANDUM FOR THE DOMESTIC POLICY COUNCIL

SUBJECT: Stratospheric Ozone

Issue: What guidance should the U.S. delegation be given for the next stages of international negotiation of an agreement for regulation of chemicals believed capable of future depletion of stratospheric ozone?

## Background

During the 1970's, concerns were expressed in the scientific community that continued growth in the use of certain chemicals would result in future depletion of stratospheric ozone, which scientists predict could cause adverse health and environmental effects, including increased skin cancer deaths, cataracts, effects on the immune system, damage to crops and materials and impacts on aquatic life. Other scientists believe that some of these projections, which extend as far as the year 2165, may not accurately account for scientific uncertainties and for future technological, scientific medical and behavioral changes that may occur. The chemicals in question are used commercially in refrigerators, mobile air-conditioners, foam insulation and fire extinguishers, and by the electronics industry. Some of them have important national defense applications for which there are currently no substitutes.

Most scientists believe that significant ozone depletion will occur by the year 2040 unless international action is taken to control the chemicals at issue, even though there are numerous medical and scientific uncertainties about the potential impacts of such depletion. Ideally, any freeze or reduction in CFCs should be based on reliable scientific evidence that use of CFCs will cause depletion of stratospheric ozone. While there are differing views within the Council on the reliability of the scientific evidence available at this time, the long life of CFC accumulations, and the consequent risk assessments associated with projected ozone depletion argue for strong action to secure an international agreement this year, with provision for future scientific assessment.

## Congressional Interest

Concern over the predicted depletion of ozone led Congress to add an ozone protection section to the Clean Air Act in 1977 and led EPA to ban CFC aerosols in 1978. Norway, Sweden and Canada subsequently implemented partial bans of CFC aerosol use.

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Currently, there is strong congressional pressure for additional action to protect the ozone layer. Both the Senate and the House have passed resolutions calling for a strong international agreement. The Senate resolution urged an automatic reduction in CFC production of fifty percent. If an effective international agreement is not reached, and we fail to secure firm and concrete commitments from other countries, Congress and the courts may require unilateral domestic reductions of the chemicals in question. Such U.S. action, alone, would not protect the ozone layer and would disadvantage American businesses in world markets.

#### International Negotiations

The U.S. is a party to the 1985 Vienna Convention for Protection of the Ozone Layer. (Note: the Convention is not in effect yet because it has not been ratified by a sufficient number of countries.) Your ratification message to the Senate stated that this Convention addresses stratospheric ozone depletion "primarily by providing for international cooperation in research and exchange of information . . . and could also serve as a framework for negotiation of regulatory measures that might in the future be considered necessary. . . ." The U.S. has received considerable credit in Congress and in public opinion for its leadership role in the three negotiating sessions held thus far to develop an international agreement on control of the chemicals in question. The U.S. interagency delegation has been guided by a Circular 175 approved under the authority of the Secretary of State, following approval by some, but not all, agencies at various policy levels. The next negotiating session is scheduled for June 29, 1987 with a plenipotentiary conference scheduled in Montreal in September to sign the agreement.

#### Cost-Benefit

In a cost benefit analysis relying on EPA estimates of ozone depletion health effects, the potential benefits of taking some actions to protect the ozone layer were found to be greater than the costs of controlling the relevant chemicals. Cost benefit analysis suggests that both a freeze and a further 20-percent reduction of the ozone-depleting chemicals are economically justified. Further reductions may also be indicated, depending on information that will be acquired prior to taking such steps.

#### Discussion

The most recent international negotiations have produced a Chairman's Text for an agreement based on the structure presented by the U.S. Each country has been asked to review this Text prior to the June 29 meetings. The Domestic Policy Council met on May 20 and June 11 to discuss the Chairman's Text, as well as the overall negotiations. The Council agreed that we should continue with negotiations, however, your further guidance on the following issues and options is requested.

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ISSUE 1 -- PARTICIPATION AND ENTRY INTO FORCE

Ideally, all nations should participate in the protocol if it is to address globally the ozone depletion problem. Otherwise, production of CFCs by nonparticipants could offset reductions by the participating countries. The Council believes we should seek maximum participation.

Which of the following positions should the U.S. delegation seek with regard to entry into force (EIF) and continuing effect of the protocol?

\_\_\_\_\_ Option 1. Entry into force of the protocol should occur only when a sufficient number of producing/consuming countries have signed and ratified it.

This option is supported by State and HHS.

\_\_\_\_\_ Option 2. Entry into force should occur only when essentially all producing/consuming countries have signed and ratified the protocol.

This option is supported by.....

\_\_\_\_\_ Option 3. Entry into force should occur when the required number of countries have signed and ratified the protocol, regardless of their production or consumption.

This option is supported by DOD.

ISSUE 2 -- GRACE PERIOD FOR LESSER DEVELOPED COUNTRIES

To encourage their participation, lesser developed nations should be given a grace period up to the year 2000, for increased domestic consumption and with other limitations?

\_\_\_\_\_ Option 1. Yes

This option is supported by DOE, Commerce, HHS, USTR, CEQ and OSTP.

\_\_\_\_\_ Option 2. No

This option is supported by DOD.

ISSUE 3 -- VOTING

Should the delegation seek to negotiate a system of voting for protocol decisions, giving due weight to the significant producing and consuming countries?

Yes \_\_\_\_\_

No \_\_\_\_\_

This proposal has unanimous support of the Council.

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ISSUE 4 -- MONITORING AND ENFORCEMENT

Should the delegation seek strong provisions for monitoring, reporting, and enforcement to secure the best possible compliance with the protocol?

Yes \_\_\_\_\_ No \_\_\_\_\_

This proposal has unanimous support of the Council.

ISSUE 5 -- CREDITS FOR PREVIOUS ACTIONS

Should the delegation seek a system of credits for previous emissions reductions, such as the 1978 U.S. ban of non-essential aerosols.

\_\_\_\_\_ Option 1. Yes.

This option could provide an advantage to the U.S. in meeting any reduction targets, and is supported by Commerce and OSTP.

\_\_\_\_\_ Option 2. No. In previous negotiations, other countries objected to this proposal, claiming that the U.S. is the largest consumer of CFCs, total and per capita.

This option is supported by HHS, DOE, USTR and CEQ.

ISSUE 6 -- FREEZE

Should the delegation seek a freeze at 1986 levels on production/consumption of all seriously ozone-depleting chemicals (CFCs 11, 12, 113, 114, 115; Halons 1201 and 1311), to take effect one or two years after the protocol entry into force? The earliest expected EIF date is 1988.

Yes \_\_\_\_\_ No \_\_\_\_\_

This proposal is consistent with the Chairman's Text and has unanimous support of the Council. Halons are not presently mentioned in the Chairman's Text, but it is intended that they will be included.

ISSUE 7 -- SCHEDULED 20% REDUCTION

Should the delegation seek a 20% reduction from 1986 levels of CFCs 11, 12, 113, 114 and 115, two to four years after EIF, (about 1992) following an international review of updated scientific evidence?

The Council supports this option, but it is divided over the

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following options for how the reductions should be implemented:

\_\_\_\_\_ Option 1. The 20% reduction should take place unless reversed by a vote against following the 1990 scientific review.

This proposal is consistent with the current Chairman's Text and has been supported by the U.S. delegation under the Circular 175. It is supported by Commerce, HHS, DOE, DOD and USTR.

\_\_\_\_\_ Option 2. The 20% reduction should take place only if a majority vote in favor, following the 1990 scientific review.

This option is supported by CEQ.

\_\_\_\_\_ Option 3. Further reductions should not occur unless the parties enter into an additional protocol based on scientific evidence not now available.

This option is supported by OSTP.

#### ISSUE 8 -- SECOND PHASE REDUCTIONS

Should the delegation agree to seek second-phase CFC reductions, more or less than 50% cumulative from 1986 levels, consistent with the Chairman's Text? These would occur 8 or more years after EIF (about 1996)?

\_\_\_\_\_ Option 1. Yes, and some of these reductions should be specified to occur at designated points in time, unless reversed by a vote of parties following scientific review.

\_\_\_\_\_ Option 2. Yes, and such reductions should occur only if a majority of the protocol parties vote in favor, following scientific reviews.

This is supported by HHS, DOE, DOD, CEQ and USTR.

\_\_\_\_\_ Option 3. Further reductions should not be scheduled at this time. We may later decide to seek these in light of future scientific evidence.

This option is supported by Commerce and OSTP.

#### ISSUE 9 -- LONG RANGE OBJECTIVE

Should the delegation support the ultimate objective of eventual elimination of realistic threats to the stratospheric ozone layer

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from man-made chemicals, if determined necessary based on regularly scheduled scientific assessments.

Yes \_\_\_\_\_

No \_\_\_\_\_

This proposal is reflected in the Chairman's Text and has unanimous support of the Council members. Only CEQ has reservations.

ISSUE 10 -- TRADE PROVISIONS

The international negotiations have focused on a trade provision to insure that countries are not able to profit from not participating in the international agreement, and to insure that U.S. industry is not disadvantaged in any way through participation. What should be the nature of any trade article sought for the protocol?

\_\_\_\_\_ Option 1. Seek a provision which will best protect U.S. industry in world markets.

This option is supported by.....

\_\_\_\_\_ Option 2. Seek a provision authorizing trade restrictions against CFC and related imports from countries which do not join or comply with the protocol provisions.

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This option is supported by.....

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THE WHITE HOUSE

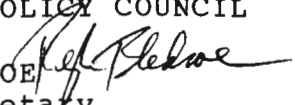
WASHINGTON

June 16, 1987

MEMORANDUM FOR THE DOMESTIC POLICY COUNCIL

FROM:

RALPH C. BLEDSOE  
Executive Secretary



SUBJECT:

New Draft of Stratospheric Ozone Memorandum

Attached is a revised draft of the decision memorandum on Stratospheric Ozone. An attempt has been made to incorporate most of your previous comments.

Please review this draft and provide comments on your agency's position on each of the issues. Since some of the options have changed, and there is one new issue, agency positions should be checked.

Comments are due in my office, Room 200-OEOB, telephone 456-6640, by 10 a.m. tomorrow, Wednesday, June 17, 1987.

# DRAFT

THE WHITE HOUSE

WASHINGTON

June 15, 1987

MEMORANDUM FOR THE DOMESTIC POLICY COUNCIL

SUBJECT: Stratospheric Ozone

Issue: What guidance should the U.S. delegation be given for the next stages of international negotiation of an agreement for regulation of chemicals believed capable of future depletion of stratospheric ozone?

## Background

During the 1970's, concerns were expressed in the scientific community that continued growth in the use of certain chemicals would result in future depletion of stratospheric ozone, which scientists predict could cause adverse health and environmental effects, including increased skin cancer deaths, cataracts, effects on the immune system, damage to crops and materials and impacts on aquatic life. Other scientists believe that some of these projections, which extend as far as the year 2165, may not accurately account for scientific uncertainties and for future technological, scientific medical and behavioral changes that may occur. The chemicals in question are used commercially in refrigerators, mobile air-conditioners, foam insulation and fire extinguishers, and by the electronics industry. Some of them have important national defense applications for which there are currently no substitutes.

Most scientists believe that significant ozone depletion will occur by the year 2040 unless international action is taken to control the chemicals at issue, even though there are numerous medical and scientific uncertainties about the potential impacts of such depletion. Ideally, any freeze or reduction in CFCs should be based on reliable scientific evidence that use of CFCs will cause depletion of stratospheric ozone. While there are differing views within the Council on the reliability of the scientific evidence available at this time, the long life of CFC accumulations, and the consequent risk assessments associated with projected ozone depletion argue for strong action to secure an international agreement this year, with provision for future scientific assessment.

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This option is supported by.....

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# ROUTING AND TRANSMITTAL SLIP

Date  
7/10/87

TO: (Name, office symbol, room number, building, Agency/Post)		Initials	Date
1.	Ms. Vickie Masterman DPC		
2.			
3.			
4.			
5.			

Action	File	Note and Return
Approval	For Clearance	Per Conversation
As Requested	For Correction	Prepare Reply
Circulate	For Your Information	See Me
Comment	Investigate	Signature
Coordination	Justify	

## REMARKS

Ozone Protocol statement, revised and cleared by EPA.

We will have text of Chairman's Draft provisions on Control, Entry into Force, Trade and Reporting on Monday a.m.

DO NOT use this form as a RECORD of approvals, concurrences, disposals, clearances, and similar actions

FROM: (Name, org. symbol, Agency/Post)	Room No.—Bldg.
Alan Krause OES/ENH DOS	Phone No. 647-9169

5041-102

☆ U.S. GPO: 1986-491-247/40011

OPTIONAL FORM 41 (Rev. 7-76)  
Prescribed by GSA  
FPMR (41 CFR) 101-11.206

DRAFT

## STATEMENT ON STATUS OF OZONE NEGOTIATIONS

Progress continues to be made in efforts to negotiate, and to conclude in mid-September, an international agreement to protect the stratosphere from ozone-depleting chemicals by regulating the production and use of certain chlorofluorocarbons (CFCs) and halons. The United Nations Environment Programme (UNEP), under the leadership of Dr. Mostafa Tolba, is playing the central role in bringing together governments from around the world to address this global concern, including all nations which are major producers and consumers of CFCs and halons, as well as developing countries.

The negotiations were resumed last year following a stalemate in 1985. At that time, the United States, Canada and the Nordic nations believed that further significant actions were needed to protect the ozone layer, while others, notably the European Community, Japan and the Soviet Union, were hesitant to undertake additional measures because of economic considerations and scientific uncertainties.

Since 1985, comprehensive international reviews of the scientific knowledge, of technical alternatives for addressing the problem, and of the economic impacts of various regulatory options, have been undertaken. The public both here and abroad has gained increased understanding of the threat to the ozone layer, and to the health and well-being of future generations, posed by these chemicals.

Although it would not be appropriate to discuss details of the negotiations at this stage, the U.S. Government believes that the key points of the draft protocol text produced by Dr. Tolba following international negotiations in Brussels last month represent a balanced and reasonable approach to these complex issues. We believe Dr. Tolba's approach is fully consistent with the state of scientific knowledge and reflects a balance of the economic and social benefits, risks and costs involved.

Dr. Tolba's text contains elements of an international accord which the United States considers absolutely essential. These include: ratification by the major producers and consumers of CFCs before the protocol enters into force; a near-term freeze at 1986 levels of production and consumption of the principal ozone-depleting CFCs and halons; periodic assessments of scientific, technical and economic considerations to ensure that the control measures are soundly grounded or are revised to take account of evolving understanding; substantial, phased reductions of the CFCs in subsequent years, both to protect the atmosphere and to encourage development of alternative chemicals; and a stated ultimate goal of eventually eliminating realistic threats to the ozone layer from man-made chemicals, as determined by the regularly scheduled scientific assessments.

The U.S. further believes that the protocol must contain trade restrictions applied to CFC-related imports from countries which do not join or comply with the protocol, in order to ensure that nations not accepting their share of this global responsibility do not profit by such a decision. The U.S. also favors some limited grace period for developing countries, in recognition of their special circumstances and to encourage their participation.

Finally, the U.S. believes that the protocol should contain strong provisions for reporting, monitoring and enforcement, and that future decisions under the protocol should be made under a system of voting that gives appropriate weight to the significant producing and consuming countries.

The negotiations continue to be difficult, and much work remains to be done. Nevertheless, the United States believes that it is essential that the other principal producer and consumer countries, notably the European Community, Japan, and the Soviet Union, join with us in an effective international control regime. We are working hard to achieve agreement on a meaningful international accord which can be signed in Montreal in September as currently scheduled.

#### A Insert

additional projections on potential ozone depletion scenarios were made by NASA at OSTP's request. These showed that an initial freeze as outlined in the "Chairman's Text" followed by a freeze by remaining producers by 2000 (with modest interim growth in production) would maintain ozone levels within the natural limits of variability. If rather than seeking protection of the ozone layer by a freeze of all producers, we achieved an agreement such as that outlined in the "Chairman's Text" with an initial freeze and subsequent reductions, a 5-year delay in effecting reductions would have an almost imperceptible effect on the ozone level. Graphs of these results are provided in Attachment 1.

#### B Insert

A modified protocol freeze which permitted third world users to delay their adherence to a freeze until the year 2000 would, if accepted by all, achieve the U.S. benefits of a freeze plus 50% reduction at U.S. costs equal to those of a freeze alone. This modified protocol would have the largest net benefits of any alternative considered by this analysis.

#### C Insert

Based on a study of 413 cataract cases in the U.S., an estimated 239 million accumulated cataract cases are projected by 2075 in the U.S. Cataract cases are estimated to increase by 4 to 7 percent for scenarios ranging from a 3.2% to a 26% depletion of the ozone layer.

#### D Insert

By the year 2075 and assuming no change in current stratospheric ozone levels, it is estimated that there would be 2,100,000 deaths from skin cancer for U.S. citizens. With a 3.2% depletion in the ozone level, increased UV-B radiation is estimated to cause an additional 89,000 deaths. With 6.1% depletion of ozone or 7.7% depletion, or with a 26% depletion of ozone, the projected increases in skin cancer deaths would be 168,000, 253,000, and 1,200,000, respectively. EPA has estimated that the 90% confidence limits on the deaths for skin cancer range from 20 to 260% of the number provided.