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WHITE HOUSE STAFFING MEMORANDUM

DATE: 6/21/90ACTION/CONCURRENCE/COMMENT DUE BY: 6/22/90 COBSUBJECT: PROPOSED REMARKS BY ADMINISTRATOR REILLY RE MONTREAL PROTOCOL

	ACTION FYI			ACTION FYI	
VICE PRESIDENT	☐	☒	MCCLURE	☐	☐
SUNUNU	☒	☐	NEWMAN	☐	☐
SCOWCROFT	☒	☐	PORTER	☒	☐
DARMAN	☒	☐	ROGICH	☐	☐
CARD	☐	☒	UNTERMAYER	☐	☐
CICCONI	☐	☒	<u>BOSKIN</u>	☒	☐
DEMAREST	☐	☐	<u>BROMLEY</u>	☒	☐
FITZWATER	☐	☐	<u>DELAND</u>	☒	☐
GRAY	☒	☐	_____	☐	☐
HAGIN	☐	☐	_____	☐	☐
HOLIDAY	☐	☒	_____	☐	☐

REMARKS:

Please forward any comments on these proposed remarks to Holly Williamson, Rm. 235, x6630, no later than COB, Friday, June 22, with a copy to this office. Thank you.

RESPONSE:

See remarks

James W. Cicconi
Assistant to the President
and Deputy to the Chief of Staff
Ext. 2702

THE WHITE HOUSE

WASHINGTON
June 20, 1990 90 JUN 21 P12:46

MEMORANDUM FOR JIM CICCONI

FROM: BARRY MCBEE *BM*
SUBJECT: Remarks by Bill Reilly at London Meeting on
Montreal Protocol

EPA has provided us with a draft of Bill Reilly's remarks to be made at the opening session of the negotiations on amendments to the Montreal Protocol in London next week; that draft is attached. Steve Danzansky suggests that we place this into the White House staffing process for review and comment. Reilly will depart for London late Monday, so receiving comments back by the close of business on Friday would be most helpful.

Please call me at 2800 if you have any questions.

OPENING STATEMENT BY EPA ADMINISTRATOR
WILLIAM K. REILLY

**Second Meeting of Parties
to the
Montreal Protocol on Substances that
Deplete the Ozone Layer**

London, England
June 27-29, 1990

Thank you, Mr. Chairman, and good afternoon, ladies and gentlemen. The United States of America is pleased to join other nations in participating in the Second Meeting of Parties to the Montreal Protocol on Substances that Deplete the Ozone Layer.

The United States would like to thank the British Government for its gracious hospitality in hosting this historic meeting, and to acknowledge the leadership of Prime Minister Thatcher in advocating a vigorous and accelerated worldwide response to ozone depletion, at the London conference in March 1989, and at this meeting. We would also like to congratulate the members of the Bureau on their recent election and reelection and compliment Dr. Mostafa Tolba and the UNEP secretariat for their dedication and expertise. Finally, we would like to thank the Protocol open-ended working group, which has worked hard over the last year -- in Nairobi, in Geneva, and the

) We should be highlighting our activities, and thanking Thatcher for joining us in this commitment (the U.S. has, by far, been the leader in the phase out of ozone depleting chemicals -- back to 1978, when

previous week here in London -- to narrow the areas of disagreement and to make the successful conclusion of our efforts that much more achievable.

The degree of flexibility and willingness to compromise exhibited over the last year has been unprecedented. We are particularly grateful for the able leadership and guidance provided by the working group's two chairmen, Ambassador Ilkka Ristimaki of Finland and Mr. Victor Buxton of Canada. OK

Thirty-six months ago the international community gathered in Montreal for the final stages of negotiations on a protocol to the Vienna Convention. The protocol adopted at that time seemed prudent in light of the information we then had in hand; yet its negotiators -- many of whom are present here today -- inserted with foresight the highly innovative provisions in Article 6 requiring the periodic review of the Protocol's control and other provisions on the basis of the latest scientific, environmental, economic and technical information.

The results of those four assessments -- prepared over the last year -- provide the international community with our blue-print for action. The scientific and environmental assessments confirm our growing realization that further and prompt measures are urgently necessary.

too strong

recommend either: "appropriate amendments and adjustments are urgently necessary" or "further and prompt... urgently necessary for the worse of these ozone"

In fact, humans are already experiencing the dangers of depleting ozone depletion. On a recent trek across Antarctica, an international team of explorers, lead by Will Steger from *chemicals (ie. CFC's)*

We should be careful about statements like this -- needs to know more about the cause and effects before making this statement, perhaps EPA can provide documentation

Minnesota, discovered that the ultraviolet radiation was so intense that it destroyed even specially treated clothing.

Explorers who were not extremely well protected suffered from severe burns within only a few hours. The ozone hole is not a theory but a menacing, opening window for cancers and cataracts. That window must be shut.

The technical and economic assessments assure us that further measures to limit ozone depletion are possible. Many cost-effective and viable substitute chemicals, products and technologies are already available. Others will become available in the near future.

there were four assessments

** there were four assessments: scientific, environmental*

The private sector throughout the world has responded to the challenge to find acceptable replacements to CFCs and halons. While by no means a simple task, the progress to date has been encouraging.

But it is now up to the community of nations to act on the information provided by the four assessment panels. It is time to consider and act on the recommendations developed by the open-ended working group. While there are still points of disagreement which will need to be worked out over the next few days, we are heartened by the widespread international consensus and spirit of cooperation we see exists.

We are particularly pleased that 59 nations have now ratified the Protocol, almost double the number that had ratified 15 months ago when we gathered last in London. Full international participation and implementation of the Protocol is essential to its effectiveness. We urge therefore all nations that have not yet done so to accede to both the Protocol and its framework agreement, the Vienna Convention on the Protection of the Ozone Layer.

(you could also stress that even 95 percent compliance worldwide will not ensure closure of the ozone hole by the year 2100)

On this note, I would like to spell out our position with respect to the proposed adjustments and amendments. Regarding the five CFCs already controlled under the Protocol and for all other fully halogenated CFCs, the United States supports a 20% reduction by 1993, an 85% reduction by 1997, and a complete phaseout by the year 2000.

For halons, we support a 50% reduction by 1995 and a complete phaseout (except for limited essential uses to be defined and agreed to by the Parties) by the end of the century. The United States proposes the establishment of a Protocol working group to identify and report back to the next meeting of Parties concerning possible essential uses of halons.

We hope that the recent industry announcements of several potential halon substitutes will ease the transition away from this family of fire extinguishing agents and minimize if not eliminate the need for halons by the end of the century.

We also support a decision by the Parties to review further the scientific, technical, and economic factors influencing the potential development of other fully

halogenated halons not currently covered by the Protocol. This decision should also discourage the development of other fully halogenated halons with an ozone-depletion potential greater than 1.0, and I urge reporting of production of any chemicals that fall within this category.

Recognizing the need to expand the list of substances controlled by the Protocol, the United States has been a leader in urging the inclusion of carbon tetrachloride and methyl chloroform. We support an 85% reduction of carbon tetrachloride by 1995 and a complete phaseout by the year 2000, with 1989 as a base year. We support a freeze on methyl chloroform by 1993, a 30% reduction by 1995, a 50% reduction by the year 2000 with 1989 as a base year, and a phase out as soon as possible.

Finally, we urge the adoption of an amendment by the Parties of a date certain for phasing out the HCFCs. All Parties recognize, I think, that the timely introduction of HCFCs is essential if we are to phase-out CFCs on the accelerated schedule being contemplated. At the same time, we also recognize that because HCFCs do contain chlorine their use cannot be allowed unchecked indeterminately. Setting a date certain for full phase-out balances these two perspectives -- it provides the certainty needed by

companies to invest in making and using these compounds while limiting their time of use in order to be certain that they do not become a long-term threat to the ozone layer. We look toward a phase out of HCFCs by no later than the year 2040.

Tightening controls on CFCs and halons, and adding new chlorinated compounds, are essential to safeguarding the ozone layer. But we must recognize that these efforts will ultimately prove ineffective unless all nations join in this undertaking. We cannot leave here on Friday with a sense of accomplishment unless we successfully resolve the issue of participation by developing countries.

The U.S. supports a program aimed at providing technical and financial assistance to developing nations which join the Protocol. Let me speak to a number of criteria we believe should characterize such a program.

First, it is important to us that the program be carefully structured in order to achieve the Protocol's objectives without creating new bureaucracies. The United States has proposed providing resources for establishing an earmarked fund within the World Bank to deal specifically

this is approved delegation language, but ~~neither~~ this, nor the language below, incorporates the second criteria from the June 15 "Statement by the Chief of Staff". I suggest adding: "The steps to be taken under ~~the~~ an amended successfully ~~the~~ ozone depletion problem."

with assistance to developing countries as they phase out ozone depleting chemicals.

this does not
comport with
June 15
"Statement by
the Chief of
Staff"

Second, we ^{must} draw attention to the ~~conclusive nature of~~ ^{the} scientific evidence regarding the cause of ozone depletion, evidence ^{of} ~~that leaves no doubt about the degree~~ ^{of} threat to a vital planetary system. ^{true, but you may want to tone down} ^{false, degree still a question.}

Third, the resources needed to address the problem ^{must be} ~~are~~ reasonable and predictable, ~~as shown by studies conducted in a number of developing nations.~~ "Certain international studies have suggested that the financial measures needed would be reasonable and predictable." ^(controversial studies)

These three conditions are unique to the ozone issue and should not be viewed as a precedent for any other issue or set of negotiations.

I hope that the next three days will build on the remarkable accomplishments achieved in Montreal less than three years ago. It is sobering to note that even if we succeed in our ambitious efforts to phase out ozone depleting chemicals, CFCs and halons are long-lived chemicals and those already manufactured will continue to destroy stratospheric ozone long after all of us here are dead. The ozone hole will grow larger for decades into the future.

very negative

may want to just note that

"We face the risk of increasing the chlorine loading of our atmosphere for years to come."

Thus, it is with a heightened sense of urgency,
informed by conclusive science, and helped by the potential
availability of substitute chemicals, that I urge action by
all countries now.

THE WHITE HOUSE
Office of the Press Secretary

For Immediate Release

June 15, 1990

STATEMENT BY THE CHIEF OF STAFF

The Administration will propose a fund, operated and administered by the World Bank, to assist less developed countries (LDCs) in phasing out the production of CFCs by the year 2000. The President's proposal is intended to allow the parties to the Montreal Protocol to conclude an acceptable agreement on a package of amendments. The proposal includes specific requirements addressing: the uses of the fund; the precedential nature of the fund; the administration of the fund; assessments; control of the fund; and voting rights within the fund.

The President's proposal is structured to reflect the unique circumstances that create the need for a fund specifically designed to assist LDCs in phasing out CFCs in a non-precedential framework. This approach meets the President's essential criteria for any such funding mechanism:

- These should be reflected in page 7 and 8 of the speech*
- First, there is adequate scientific evidence of the causes and effects -- in this case, of ozone depletion.
 - Second, there is strong evidence that the steps to be taken -- under the amended Protocol -- will successfully address the problem.
 - Third, the resources needed to address the problem are reasonable and predictable.

The President expects the parties to the Montreal Protocol to successfully conclude negotiations on a package of amendments to the Protocol next week in London. The Administration's proposal will be offered at that time.

The President's proposal is designed to meet the financial needs of LDCs as they transition from the production of ozone-depleting substances to environmentally safe alternatives. At the same time, it addresses previously stated significant U.S. concerns about the use and management of the fund and the concern that there be no precedent-setting nature to such aid.

The United States has been a world leader in efforts to control emissions that adversely affect the ozone layer. The United States: outlawed the use of CFC aerosol propellants in 1978; strongly supported the initial negotiations that led to the Vienna Convention for the Protection of the Ozone Layer in 1985; and was among the first to sign the Montreal Protocol in 1987.

THE WHITE HOUSE
WASHINGTON

May 3, 1990

ER
fyi
Rec'd COS
- 4
AM

MEMORANDUM FOR GOVERNOR SUNUNU

FROM: ROGER B. PORTER *RP*
SUBJECT: Status Report on Montreal Protocol

An interagency group met today to consider next steps in implementing the decision reached yesterday in your office. A revised statement of that decision, cleared by Dick Darman, NSC, Treasury, and State, is attached. Key issues discussed at the meeting were as follows.

Access to World Bank Funds

Yesterday, we agreed to make eligibility to draw on World Bank funds contingent upon a country's compliance with the Montreal Protocol. Lawyers at Treasury and State question whether this can be done under the Bank's charter. We have asked for a memo to you from Secretary Brady outlining the Treasury position.

U.S. Position in the Development Committee

Early next week, the IMF/World Bank Development Committee will be considering the Green Fund proposal. Treasury plans to take the position that the U.S. does not support a dedicated Green Fund. Rather, the Bank should give higher priority to environmental activities funded from within existing resources.

U.S. Position at the Geneva Montreal Protocol Meeting

Next Wednesday, the Montreal Protocol Working Group will meet to discuss the financial assistance issue. The U.S. will be represented by State and EPA, although we have urged Treasury to attend. The U.S. position will be that we can support additional funding for CFC reduction, IF it is provided from within existing resources and through the World Bank.

Obtaining Support of Other Countries

Treasury will work its finance ministry counterparts in an attempt to build appreciation for the precedential nature of the issue. State and EPA will work their counterparts that will be attending the Geneva meeting.

Attachment

DRAFT

May 3, 1990

U.S. POSITION

Financial Assistance for the Montreal Protocol

1. If the conditions outlined below are met, the United States can agree in principle that financial assistance could be made available to help developing countries phase out the production of CFCs.

The conditions are necessary because, both in the Montreal Protocol and in other environmental issues, developing countries must not perceive that voting for additional restrictions is costless to them, either because they will not comply or because the cost of compliance will be borne by developed countries.

2. Conditions:

- o World Bank role. The mechanism to provide financial assistance must be administered by the World Bank.
- o No new resources. The World Bank's mechanism must be created from existing resources. No additional funding must be required of the Bank's donor countries.
- o Trade-offs. The Bank's mechanism must be administered in a way that encourages potential recipients to consider resource trade-offs.
- o Access to World Bank funds. Eligibility to draw on all World Bank funds must be contingent on compliance with the Montreal Protocol.

3. The World Bank should be asked to design options for creating a mechanism based on the principles identified above.
4. We should immediately begin building support for this approach among the industrialized democracies.

DRAFT

THE WHITE HOUSE
WASHINGTON

May 2, 1990

Rec'd COS
MAY - 4
8:00 Am

MEMORANDUM FOR GOVERNOR SUNUNU

FROM: ROGER B. PORTER *RBP*
SUBJECT: Montreal Protocol

Following our meeting this morning in your office on financing assistance for the Montreal Protocol, Steve Farrar and Tim Deal from the NSC, as requested, drafted the following summary. Dick Darman and I have reviewed it.

It looks good and like it can provide the basis for a sound position that will not establish a precedent we will regret later.

I have asked Steve to convene an interagency group to consider next steps in implementing this approach.

Attachment

DRAFT

May 2, 1990

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DRAFT