

United States Department of State

Deputy Secretary of State

Washington, D.C. 20520

July 16, 1987

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Dear Howard:

Thank you for your support in the preparations for the international negotiations on measures to protect the ozone layer. The objectives the President has established allow the United States to play a leadership role in dealing with this problem. We are now well on our way to achieving an international agreement which would represent a major victory for the President.

The following comments describe progress in the recent international meetings toward the objectives set out in the President's instructions. You may wish to draw on them in briefing the President.

An informal group of key delegation heads, chaired by U.N. Environment Program (UNEP) Executive Director Mostafa Tolba, met in Brussels, June 29-30. Dr. Tolba's group comprised representatives of the U.S., Canada, Norway (representing the Nordics), New Zealand (representing also Australia), the European Commission, Japan and the USSR. Subsequently, a group of legal experts met in the Hague, July 6-9, to refine the draft protocol text, drawing on the results of the Brussels meetings. UNEP will now circulate a composite text to participating governments in late July or early August, for review prior to the September 8-11 negotiating round and September 14-16 Diplomatic Conference, at which we expect a protocol to be adopted.

Progress in Dr. Tolba's group proved difficult, with the European Commission spokesman resisting compromise toward the U.S. position. The EC's stance unfortunately encouraged Japan and the USSR to continue to resist significant reductions in chlorofluorocarbons, despite earlier informal indications that there might be some movement from them.

The Honorable
Howard Baker,
Chief of Staff,
The White House.

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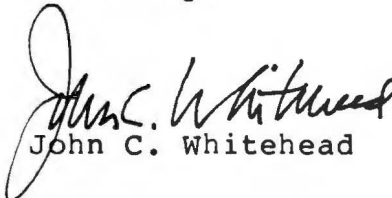
Most U.S. proposals received open endorsement from Canada, Norway, and New Zealand, and behind-the-scenes support from Belgium and Denmark (which were represented within the EC delegation). The main elements of the resulting UNEP text will be either very close to the U.S. position or substantially closer than in earlier drafts. Based on notes of our representatives at the meetings, we anticipate that the UNEP text will include the provisions outlined in the enclosure (which are listed in the same order as in the President's June 25 memorandum).

It is important to note, however, that although the forthcoming UNEP text will undoubtedly be publicized as representing broad informal consensus, it does not have legal status and can be modified (by us or others) in Montreal. For example, the EC, Japan and the USSR did not endorse the thirty percent reduction, inclusion of halons, the 1986 base year, some trade provisions, and the "ultimate objective" clause. Several participants questioned our proposal for a voting mechanism giving weight to significant producing and consuming countries. The legal group did not have time to consider all articles and proposals, and will convene again September 7.

Notwithstanding the difficult negotiations ahead, the inclusion of nearly all our principles in the UNEP text does put us in a good position as we approach the September Diplomatic Conference. I believe there will be mounting political pressure on the other major producing countries to accept an international agreement along the lines of this text. The U.S. will continue to emphasize that, in order for the protocol to be effective, it is essential that the major producing and consuming countries become parties.

We will be working with other governments in the weeks ahead in pursuit of the President's objectives. I will continue to keep you and your staff informed of progress.

Sincerely,


John C. Whitehead

Enclosure:
As stated.

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PROVISIONS EXPECTED TO BE INCLUDED
IN SEVENTH UNEP DRAFT PROTOCOL TEXT

- o The concept of entry into force only when a substantial proportion of producing/consuming countries have signed and ratified. (The UNEP draft will suggest that sixty percent of global production/consumption be required, but we will seek in the next round to raise this to more than 80 percent.)
- o A grace period for developing countries.
- o A voting mechanism for adjusting reduction steps and chemical coverage that requires agreement by parties representing at least fifty percent of global consumption. (The delegation proposed that such a mechanism be extended to all protocol decisions. This was footnoted and will be discussed further in the next session.)
- o A freeze at 1986 levels on production and imports of chlorofluorocarbons (CFCs) 11, 12, 113, 114, and 115 within one year of entry into force.
- o A freeze at 1986 levels on production and imports of Halons 1211 and 1301 within three years of entry into force. (This provision remains bracketed. If we are unable to reach agreement on including the Halons, a Diplomatic Conference resolution may provide for a decision on Halons to be taken at the first meeting of Parties following the first scientific review.)
- o A requirement that Parties provide data annually on production, imports, exports and destruction of the controlled substances. A requirement that a meeting of the Parties establish procedures for reporting of data. (Further work by the legal group on monitoring and enforcement will be required.)
- o Reassessment of control measures by the Parties in 1990 and every four years thereafter. Convening of a scientific review panel at least one year before each of these assessments.
- o A twenty percent reduction in production and consumption of the controlled CFCs within four years of entry into force.
- o A further thirty percent reduction within eight to ten years of entry into force, unless the Parties decide otherwise by a two-thirds majority representing at least fifty percent of the Parties' consumption.

- o A ban on bulk imports of the controlled substances from non-Parties within one year of entry into force.
- o A ban or restrictions on imports from non-Parties of certain products containing the controlled substances, within four years of entry into force.
- o Provision for the Parties to determine within four to six years of entry into force the feasibility of banning or restricting imports from non-Parties of certain products made with the controlled substances.
- o A prohibition on new agreements to provide to non-Parties subsidies, aid, credits, guarantees or insurance programs for producing the controlled substances.
- o Provision for the Parties to decide whether further reductions 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.