

Argentina argued strongly for a quote polluter pays approach unquote, without elaborating. (Argentine Representative very helpful and supportive of U.S. positions throughout, as was Egyptian delegate.)

6. Next Working Group Meeting: UNEP Secretariat announced that next meeting has been scheduled for February 23–27, 1987.⁴ However, EC (with Japanese support) asked for postponement until April, since EC Council will not meet until March 20. USSR further complicated situation by saying that no further session should be held until UNEP's Governing Council (which convenes in mid-June) can clarify working group's mandate regarding scope of chemicals to be considered. U.S., Nordics, Canada and Argentina strongly argued that February date (known to all parties for over a year) should be maintained. Result was that working group referred the issue to UNEP Executive Director Tolba for resolution.

Streator

⁴ See Document 358.

357. Memorandum From Paul Gigot, White House Fellow, to the Chief of Staff to the President's Assistant for Domestic Policy (Hines)¹

Washington, February 20, 1987

Patricia,

As short as I can make it, here's where I see the ozone issue.

- Administration policy has been led by EPA and State, and I have serious doubts that what they're leading us to is either good politics or good policy.

- By asking for a 95% phase-down in CFCs at the Vienna talks, the U.S. is going far beyond what most other countries want. Both the EEC and Japan will have to be arm-twisted just to get them to accept a freeze.

¹ Source: Reagan Library, Robert Johnson Files, Stratospheric Ozone #2. No classification marking.

• Let's assume we get only a freeze at Vienna or at one of the future negotiating sessions. Then we are still under a court order to write domestic regulations.²

• At that stage, we're in trouble. If EPA doesn't write stiff enough domestic regulations, then both the Democrats in Congress and the environmentalists will bang us over the head, citing *our own request for a phase-down* in Vienna as evidence that tough regulations mandating a phase-down are necessary.

• On the other hand, if we mandate a phase-down ourselves, then we penalize our own industry and raise pressure to ban the import of products containing CFCs.

• The economic impact would be tremendous, since CFCs are ubiquitous. And, at least so far, no one in the Administration has done a study of just how much any kind of regulation would cost either CFC consumers or producers.

• A key issue, it seems to me, is whether the Administration has ever decided that the science linking CFCs with ozone depletion justifies a phase-down. The scientists themselves say they can't tell how much "insurance"—that is, CFC regulation—is required. They say that's a policy judgment, yet so far that policy judgment is being made without any assessment of its costs.

• At this late stage, it may be impossible to change the Administration's negotiating position at the international talks. But one thing the DPC might be able to do is to tell our negotiating team to *accept a freeze*. Right now, Benedick and the negotiating team won't do that, so they're trying to raise the domestic political pressure in Europe and Japan so the governments will support a phase-down. In other words, the Reagan Administration finds itself in the unusual position of being allied with Germany's Green Party!

• In any case, this issue of freeze v. phase-down is important, and may require DPC attention. Today's Working Group meeting was at least a start at trying to get some more sober voices—Justice and Interior, in particular—into the policy process.

Hope this helps.

Paul Gigot

² See Document 355.