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Environmental Issues

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Environmental issues have risen to the top of the international policy agenda over the last few years. Spurred by rising public concern, politicians throughout the world are pressing for more far reaching international cooperation with respect to the environment. The Governments of Britain, France and Italy, for example, have recently become far more activist on international environmental issues than in the past. The Soviet Union has extended glasnost and perestroika into the environmental realm, publically acknowledging widespread environmental damage throughout the U.S.S.R. and calling for greater bilateral and international cooperation on global environmental issues. Underlying these political developments is a growing awareness that the combination of rapidly growing human populations and their quest for economic development is for the first time threatening to cause irreversible destruction of natural resources and unprecedented changes in the global climate system itself.

The rest of the world still looks to the U.S. for leadership in addressing these issues. During the last Administration we exercised that leadership in several areas, most notably in negotiating and bringing into force the Montreal Protocol on Substances that Deplete the Ozone Layer. Overall, however, the U.S. has been perceived internationally during the Reagan years as unwilling to take the domestic policy steps necessary to exercise leadership in the international arena.

Whereas we had led the world in environmental protection during the 1970's, hostility to government regulation, belief in unfettered market mechanisms and the low priority given to environmental issues on the Administration's policy agenda were all seen as blocking further progress during the 1980's. Nevertheless other countries recognize that the U.S.'s unique assets - its experience with environmental protection, its public and private research capabilities, its strong non-governmental organizations and its continuing leadership within the international system as a whole - made its active participation critical to the success of further initiatives.

This situation presents the Bush Administration with a great opportunity and a great challenge. The opportunity is to strengthen U.S. influence and authority with individual countries and within the international community as a whole by taking the lead in new international initiatives to reduce pollution, conserve natural resources and minimize the adverse impacts of future climate change. The challenge is to develop and carry out a domestic policy agenda which will support those initiatives. Unless the U.S. is willing to reduce its own emissions, curb its own waste flows and improve the energy efficiency of its own economy, we will not be able to persuade other nations to do so.

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The following are six areas in which the Administration should move internationally in the near term in concert with appropriate domestic policy steps. Coordination of Administrative policy on these issues could take place in the National Security Council/Policy Coordinating Committee structure or in the Domestic Policy Council. The former will give more weight to foreign policy considerations. The DPC in addressing these issues in recent years has tended to focus on most on domestic program implications in instituting its decisions.

1. Acid Rain

We are now well positioned to make progress on this issue and remove it as a contentious element in U.S./Canadian relations. An Administrative proposal for revision of the Clean Air Act will provide for reductions in the emissions of acid rain precursors and should open the way for a reasonable compromise on this issue with the Congress. This in turn will set the domestic parameters within which we can then proceed to negotiate an acid rain accord with Canada. Further, last Fall we became party to a multilateral convention which will limit future increases in emissions of NO_x , which is a contributor to acid rain.

The Canadians made clear in the Ottawa meeting between the President and Prime Minister Mulroney that they recognized and appreciated the positive and constructive approach being taken by this Administration. Importantly, they also signaled that they are prepared to give us some time to develop a domestic consensus before pressing us to reopen negotiations on an accord.

There is much that is useful that we should be prepared to discuss in an accord with Canada: expanded exchanges of information; joint periodic reviews of transboundary air pollution problems; joint demonstration projects of new emissions control technologies; targets for emissions reductions; and expanded conduct of joint research. An accord should build on the Special Envoys' recommendations and measures already underway to reduce emissions. In particular, it should allow sufficient time for our Innovative Control Technologies Program to encourage the employment of new, more cost effective technologies. We should also seek to make the accord broad enough to deal with the full range of transboundary air pollution, including, for example, ground level ozone, concerning which we are doing much more than the Canadians. We have discussed these possibilities with the Canadians through our bilateral advisory and consultative group mechanisms.

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There are also some things we need to avoid in such an accord. Importantly, we should not agree to fixed, inflexible schedules of reductions that would be insensitive to new scientific or technical knowledge or to developments in our domestic programs. We cannot allow ourselves to be in a position in which domestic policy and judgments on this issue are driven by commitments to Canada. The key is to assure that any emission reduction goals in such an accord are seen as targets which are subject to adjustment and refinement as a normal part of the process through which we increase our knowledge and coordination in this area. This would be consistent with the approach we have taken under the Great Lakes Water Quality Agreement with Canada, which has proved quite successful.

We also need to avoid creating any bilateral mechanisms that could usurp our national decision-making prerogatives in this area. Any role for the existing International Joint Commission (IJC), or some newly-created bilateral body, in monitoring transboundary flows, providing secretarial support for joint efforts, or otherwise responding on issues jointly referred to it by the two governments, must be considered within that constraint.

We have successfully resisted pressures to move precipitously on this issue, which would have required relying heavily on outdated and expensive scrubber technologies. Our \$2.5 billion innovative clean coal technologies program is off to an excellent start, with the private sector more than matching government funding for pilot projects. The National Acid Precipitation Assessment Program (NAPAP) is proceeding on track and adding significantly to our knowledge of the problem. Thus, we can now move forward in coordination with Canada in addressing this problem in a deliberate, reasoned, and cost-effective manner. In the process, we can change the perception of us from a laggard to a leader in dealing with the acid rain problem.

2. Hazardous Wastes

The cost of disposing of hazardous wastes -- and other solid wastes that may contain dangerous substances -- is increasing rapidly in the U.S., motivating some in industry to look for lower cost disposal options. Conscious that we may be vulnerable politically and economically if U.S. origin wastes are improperly disposed of abroad, concerned agencies have participated for over a year in efforts in the UNEP and OECD to draft conventions to regulate transboundary shipments of such

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substances. Both conventions would require the notification and consent of importing and transit countries, and oblige an exporting country to ban exports to non-parties and parties alike if it has "reason to believe" environmentally sound disposal is in doubt. The Administration would need to seek additional legislative authority in order to sign such a ban.

Neither the UNEP nor OECD conventions are likely to protect the U.S. from possibly costly consequences if a contracting party consents to a waste import and then mismanages it in a way injurious to human health or the environment. For this reason, we and EPA have been working through the DPC process to reach interagency consensus on an Administration policy to prohibit exports of all U.S. hazardous wastes except where we have a bilateral agreement that specifies acceptable terms of disposal (as do our existing hazardous waste bilateral agreements with Canada and Mexico). Such a policy would minimize our vulnerability to costs of U.S. hazardous waste mismanaged abroad. It would also allow us considerable flexibility in deciding whether we want to sign or to include the UNEP or OECD agreements which may contain provisions that we would prefer not to accept.

Given the increasing incentive to export waste, we continue to believe a decision to prohibit hazardous -- and perhaps incinerator ash and household -- waste exports is the best way to implement the ban obligations. However, the DPC process has been on hold during the transition. We need to reactivate it, or ask the NSC, to address this issue quickly.

3. Protection of the Ozone Layer

The Montreal Protocol on Substances that Deplete the Ozone Layer was adopted in September 1987, ratified by the U.S. in April 1988, and entered into force January 1, 1989. The Protocol provides for a 50% reduction in production and consumption of ozone-depleting chemicals and restrictions on trade of those substances and products containing them. Support of the United States for the agreement was essential to reaching an effective agreement and earned the U.S. kudos for leadership on this important environmental issue.

The March 1988 Ozone Trends Panel report, the result of an 18-month effort by an international team of over 100 scientists led by NASA, indicates that ozone depletion is worse than anticipated at the time of adoption of the Protocol. Industry has made substantial strides in the development of alternative substances and technologies to ozone-depleting chlorofluorocarbons (CFC's) for use in refrigeration and air conditioning, electronics, foam-blowing and aerosols. Du Pont plans to phase out production of CFC's by 2000, and other U.S. producers have indicated that they also will if there is international agreement to do so.

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Because of these scientific and technological developments, our judgment is that a virtual phaseout of production of CFC's by the end of the century is warranted and feasible. Then-EPA Administrator Lee Thomas said as much in releasing an EPA report last October on expected ozone depletion, but we have not yet agreed on this as a U.S. Government position. We must do so now.

Since the release of the Ozone Trends Panel report, leaders of many other governments (e.g., UK, Canada, FRG) have publicly supported substantial further reductions -- including Margaret Thatcher personally, whose government had been very reluctant to agree in the negotiations to reductions at all. The Soviet, Japanese and Chinese Governments have not taken a position.

At the UK-hosted conference on protection of the ozone layer next March and the first meeting of Parties in May, EPA Administrator Reilly should state clearly that, in light of scientific developments since adoption of the Protocol, the U.S. Government supports a virtual phaseout of production of the controlled substances by the end of the century. Revision of the stringency of the Protocol's control measures is to be agreed at the April 1990 meeting of Parties. The exact extent (85%? 95%? 100%?) and timing of the phaseout should be determined on the basis of assessments of new scientific, environmental, technical, and economic information, in accordance with the Protocol's provisions.

4. Tropical Deforestation

Tropical forests are disappearing at the rate of 30 million acres per year, threatening a major portion of the world's plant and animal species and their potential as future sources of medicines, disease resistant crops, bio-degradable pesticides and other materials. Deforestation is also a growing factor in global warming, currently contributing as much as 25% of the CO₂ released to the atmosphere each year. The situation is especially critical in the Brazilian Amazon where 18 million acres of rain forest -- an area the size of Indiana -- were burned each of the last two years. At present rates, most Amazon forests will be gone in 20 years.

To date, international efforts to promote sustainable forest development and conservation (by multilateral and bilateral donors, UN agencies and non-governmental organizations) have been too small and fragmented to have much impact.

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As a classic North-South issue, tropical deforestation has also been difficult for the U.S. to address positively. Developed country involvement in the management of tropical forests raises sensitive questions of national sovereignty and economic priorities, particularly in Brazil. Nevertheless, calls for USG action to address the deforestation crisis have come not only from the private conservation sector, but also from Congress in several bi-partisan initiatives. Continued pressure for USG action can be expected from the new Congress.

Although Brazil and other countries have demonstrated some increased awareness of the problem, they are unlikely to take meaningful action to slow deforestation without substantial help from the developed world. The USG should take an active role in providing this help but we should not and cannot do it alone. Europe, Japan the multilateral development banks and the private sector, as well as the tropical forest countries themselves, should be involved.

5. The Marine Environment

The oceans play a central role in the physical, chemical, geological and biological processes of the planet. We do not yet fully understand the mechanism by which the oceans and organisms which inhabits store carbon and absorb heat. We do know, however, that these mechanisms have tremendous power to alter the global climate for good or for ill. The oceans play a central role in sustaining life - fishery resources are an important element in the world food supply. Pollution of the oceans threatens this role - now in local instances (e.g. the Baltic, the Mediterranean) and could affect their overall capacity to support life.

The oceans play likewise a central role in absorbing, neutralizing and recycling the products of atmospheric and terrestrial processes. These products include human generated discharges and wastes. Pollution threatens this capacity to absorb, neutralize and recycle.

Dispite the importance of the oceans to the future of our planet, they have not received the attention they deserve in our efforts to protect the global environment. As a first step to redressing this situation, we must commit greater resources to implementing international obligations and agreements with respect to the oceans.

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The obligations of states under customary international law to prevent and mitigate marine pollution are codified in the LOS Convention. These include obligations with respect to all sources of marine pollution - from vessels, from seabed activities, from dumping and intentional disposal at sea and from land-based sources. A number of global agreements have been negotiated to give effect to these obligations. These include the IMO vessel source pollution conventions, and the London Dumping Convention. These obligations are also being translated into the regional frameworks being established by the UNEP Regional Seas Program.

6. Global Climate Change

Global climate change is the most far reaching environmental issue of our time. If the climate change within the range of current predictions actually occurs, the consequences for every nation and every aspect of human activity will be profound. As you stated in your opening remarks to the Response Strategies Working Group (RSWG) meeting on January 30, we cannot wait until all of the uncertainties have been resolved before we act to limit greenhouse gas emissions and to plan for whatever climate change we are already committed to.

The U.S. has taken the lead in organizing the Intergovernmental Panel on Climate Change (IPCC) under the auspices of WMO and UNEP and chairs the RSWG. The IPCC is committed to an ambitious schedule of work leading up to a report to the Second World Climate Conference in the Fall of 1990. RSWG's section of the report will discuss a menu of response strategies ranging from energy efficiency to reforestation and a range of implementation mechanisms ranging from market incentives to a global climate convention. To shape this process in a way consistent with its interests, the U.S. will have to develop a pro-active international strategy for dealing with climate change which is in turn based on a proactive domestic strategy. Some of the recommendations made earlier in this paper, particularly a complete phaseout of ozone-depleting CFCs, and a tropical deforestation initiative fit naturally into such international strategy. There is no way, however, that the U.S. can develop a credible international strategy on climate change unless it addresses U.S. emissions of CO₂ from fossil fuel combustion. Once we have developed a domestic strategy for stabilizing and then reducing our use of fossil fuels over time, we can then develop an international strategy which is consistent with our domestic strategy. Similarly, we will not be able to forestall consideration of a framework climate convention. It would be better to incorporate our own ideas into a draft convention than to react to someone else's.

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Recommendations

Policy Review - That you authorize creation of a Policy Coordinating Committee for Oceans, Environment and Science issues (per OES memorandum of February 13, 1989) through which to review development and implementation of policy concerning agreements and activities within the United States and foreign countries related to oceans, environment and science issues.

Acid Rain - That you authorize OES, working with concerned agencies and through the Bilateral Advisory and Consultative Group mechanism, as appropriate to reiterate to the Canadians that the Administration will shortly propose new legislation on acid rain and that we are prepared to move forward in addressing this problem in a deliberate, reasonable and cost-effective manner.

Hazardous Waste - That you authorize OES to prepare a memorandum from Executive Secretary Levitsky and his EPA counterpart to the NSC on the DPC proposing that the Council support an Administrative decision to ban exports and imports of hazardous and certain solid wastes absent a bilateral agreement specifying intent of disposal. We believe it will be vital for you to participate personally in the DPC discussion of this important policy initiative. EPA Administrator Bill Reilly is fully supportive, but a consensus last year in the DPC was blocked by Interior, CEA and OSTP objections to closer controls on industry with regard to waste disposal.

Protection of the Ozone Layer - That you authorize OES to prepare a memorandum from Executive Secretary Levitsky and in EPA counterpart to the Executive Secretary of the Domestic Policy Council proposing that the Domestic Policy Council approve, before the March 5th UK conference, a U.S. policy of support for a virtual phaseout of production of CFC's by the end of the century, with the exact extent and timing to be determined on the basis of assessments in accordance with the Protocol.

Tropical Deforestation - As a first step in this direction, the U.S. should develop initiatives to address the deforestation crisis in Brazil. This initiative would involve funding the development of a series of specific projects, including the creation of an internationally supported conservation foundation sponsored by the Brazilian Government, through or in cooperation with, the U.N. System. The dollar amounts would be modest and might take the form of voluntary payments, or advance payments of part of the U.S. arrearages owed to UN agencies. As a second step, the U.S. would invite

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the Europeans and the Japanese to initiate similar programs with respect to Africa and Southeast Asia respectively and to join the U.S. in funding projects directly or through conservation foundations in their respective areas. If we are able to announce our initiative within the next six months, the U.S. would be in a position to urge the Europeans and the Japanese to announce similar initiatives at ministerial conferences on global environmental issues scheduled for this Fall in the Hague and Tokyo, respectively. OES is working with Tom Lovejoy of the Smithsonian and representatives of the Brazil desk, A.I.D., the World Bank and the UN Development Program to flesh out a proposed U.S. initiative.

Marine Environment

Our objective should be to ensure that the obligations with respect to marine pollution are given effect and implemented in a fashion to maintain, and where necessary, restore the health of the marine environment. These actions, which will involve a mix of national, regional and international approaches, can be broken down into two categories: extension and effective implementation of existing arrangements, and initiatives to fill in the gaps. We should press for ratification by the U.S. of the following international agreements to deal with marine pollution:

- Annexes III and IV of the International Maritime Organization Marine Pollution Convention (MARPOL), dealing with carriage of chemicals and disposal of sewage and garbage from vessels respectively;
- the International Maritime Organization Oil Spill Liability and Fund Conventions, designed to establish an internationally effective system of assessing liability and providing compensation for oil pollution damage; and
- the South Pacific Regional Environmental Program (SPREP) Convention, the UNEP Regional Seas agreements for the South Pacific.

Global Climate Change - We recommend that you be confirmed as chairing U.S. participation in the IPCC process and particularly the Response Strategies Working Group. The Climate Protection Office at Commerce can act as an informal secretariat to support State's management role. We will need a clear interagency policy review process to develop coordinated environmental policy positions. The present DPC ENRE Working Group, if it survives, could play this role; alternatively the PCC/NSC structure could take on this task, perhaps even more appropriately as it would be better attuned to the foreign policy implications of these issues.

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