

Originally Processed With FOIA(s):
2005-0336-F

FOIA Number:
2005-0336-F

FOIA MARKER

**This is not a textual record. This is used as an
administrative marker by the George Bush Presidential
Library Staff.**

Record Group/Collection: George H.W. Bush Presidential Records
Collection/Office of Origin: Science and Technology Policy, Office of (OSTP)
Series: Bromley, D. Allan, Files
Subseries: Global Climate Change Files - Conferences/Meetings

OA/ID Number: 62057
Folder ID Number: 62057-011

Folder Title:
Framework Convention on Climate Change (3) [1 of 2] [1991]

Stack:

Row:

Section:

Shelf:

Position:

0

0

0

0

THE WHITE HOUSE

WASHINGTON

January 19, 1991

DRAFT

1/19 3:10

Ken —
Here's another
draft. Please
comment ASAP
so we can finish
Monday.
JPW

MEMORANDUM FOR THE DOMESTIC POLICY COUNCIL

FROM: The Global Change Working Group

SUBJECT: Framework Convention on Climate Change

ISSUE:

Negotiators representing the United States at the first negotiating session of the Framework Convention on Climate Change on February 4, 1991 require guidance on three issues:

- See summary directly to the question on page 6 of seq.*
- Aspects of The*
- (1) ~~the~~ strategy for the negotiations;
 - (2) The objective of convincing other nations to adopt the "comprehensive approach"; and
 - (3) Distribution of a brochure highlighting the significant actions already taken by the U.S. that will reduce the *net* emission of greenhouse gases.

SCIENCE, ECONOMICS, AND ENERGY:

(1) General

is expected to

Formal negotiations on a Framework Convention will take place under UN General Assembly auspices for the next 18 months. The Convention ~~should~~ be ready for signing at the June 1992 UN Conference on Environment and Development (UNCED) in Brazil. President Bush invited other nations to Washington for the ~~the~~ first negotiating session from February 4 to 14, 1991.

is

The first negotiating session will focus on organizational and procedural issues. This paper provides background on the question of climate change and addresses three issues which need to be considered prior to the negotiations.

(2) Previous International Action

The United States participated in and endorsed the activities of the Intergovernmental Panel on Climate Change (IPCC). The IPCC, which was set up in 1987 by the World Meteorological Organization and the United Nations Environment Programme, adopted an interim report at the Second World Climate Conference in November 1990. The report addresses four major areas of climate change: (1) research, 2) the impacts of potential change, 3) response strategies, and 4) legal measures to implement response strategies, including possible elements of a framework convention on climate change. This report forms the basis for the negotiations on a framework convention on climate change.

X

1/19

The Second World Climate Conference agreed that the scientific conclusions set out by the IPCC reflect the international consensus of scientific understanding of climate change, including these key points:

- o "Emissions resulting from human activities are substantially increasing atmospheric concentrations of greenhouse gases. These increases will enhance the natural greenhouse effect, resulting on average in an additional warming of the Earth's surface."
- o "Without actions to reduce emissions, global warming is predicted to reach 2 to 5 degrees C over the next century, a rate of change unprecedented in the past 10,000 years."
- o "The warming is expected to be accompanied by a sea level rise of 65 ~~mm~~ ^{cm} ~~+~~ 35 cm by the end of the next century."
- o There are substantial scientific uncertainties in the details of climate change. To narrow the uncertainties, research is being conducted in high priority areas, such as oceans, clouds, carbon cycle, polar ice sheet, and sea ice.

(3) Science of Climate Change

Scientists are studying both the possibility of climate change and the response to climate change should it occur. Studies show that concentrations of greenhouse gases have increased, but the cause of this increase, including both natural and human factors, and the potential effect on the earth's temperature regulation process and regional climate patterns is unclear. ^{potential}

Certain gases, such as carbon dioxide, methane, ^{remains} nitrous oxide, and chlorofluorocarbons, increase the heat retention of the atmosphere. Natural processes release twenty times more of these "greenhouse gases" than human activities release. Nevertheless, changes in atmospheric concentrations have been caused by human-related emission increases due to industrialization. ^{of heat in} ^{significant}

The earth adapts to changes in greenhouse gas concentrations through a complex natural system for regulating temperatures, ^{which may result in} but at the cost of changing climate patterns and higher average temperatures. This system includes emissions from "sources" of gases and sequester by "sinks," as well as the radiation of energy into space. ^{largely reflecting} Regional changes in temperature and precipitation could result in adverse effects in some areas of the world and beneficial effects in other areas.

Computer models of this complex system have been developed to predict the effects on climate change of different levels of greenhouse gas concentrations. However, these models are not able

¹ global circulation models (GCMs).

Although attention has tended to focus on global warming the impacts of greenhouse phenomena include change in the patterns and amount of precipitation, in the pattern and severity of storms, and in the mean sea level. It bears emphasis that in all these phenomena relatively strong temporal and spatial fluctuations are to be expected although these still lie outside the predictive capabilities of modern global change models.

Insert a new para on page 3

Very little work has been done as yet toward quantifying the economic consequences of adapting to possible impacts of possible greenhouse induced climate change.

except on a global average basis.

3

1/19

to accurately reflect the natural system of temperature regulation. As a result, scientists disagree about the magnitude, spatial distribution, and timing of any climate changes caused by increased concentrations of greenhouse gases and the effect of natural mitigating factors. The computer models are particularly unreliable tools for predicting regional climate changes, which are of most interest to policy makers *and on which economic studies must be based.*

(4) Economics of Climate Change

Economic studies compare the costs of reducing emissions to the costs of not acting -- the likely costs of possible climate changes. However, the cost of climate change does not translate directly into the possible benefits of reducing emissions. For example, the emissions limitations proposed by some countries are small relative to total natural and human emissions and would have only a minor effect on climate processes.

example Economic studies of climate change issues are relatively new. For ~~instance~~ ^{few} little quantitative analysis of the cost of sea level increases, which would vary by region, has been done to date. Agriculture, forestry and fishing would be most directly affected by future climate changes. These industries amount to only 3 percent of US GNP, but are more important to developing nations.

Studies based on historical data ^{on carbon dioxide emissions} suggest that stabilization or small reductions in ~~carbon dioxide emissions~~ would impose costs on the order of 1 percent of GNP for industrialized countries by the turn of the century and that those costs would rise over time. Other studies based on analysis of particular technologies suggest that, in principle at least, costs could be more modest. Advances in technology could lower baseline emissions, costs of reduction, and the tendency of costs to rise over time.

(5) Energy Issues in Climate Change

Even though human activities cause only a fraction of greenhouse gas emissions, international talks focus on reducing manmade emissions, especially emissions from fossil fuel use. The U.S. produced almost 6 billion tons of carbon dioxide from fossil fuels in 1988, which was about 25% of total human-produced carbon dioxide emissions world-wide.

THE CLIMATE CONVENTION NEGOTIATIONS:

A framework convention establishes general obligations and procedures for carrying out these obligations. Specific commitments are usually included in subsequent annexes or protocols to a convention. However, several countries are pressing to include specific obligations for targets and timetables for stabilizing emissions of certain gases in the convention or in protocols negotiated simultaneously with the convention.

We should quote line from Al Hammond's WRI report to put this into perspective: when we include methane for example the

also of course mention 2
LD's no longer can argue from far away. Just burning

DRAFT

4

1/19

We have taken the position that such commitments are not appropriate at this time and should be negotiated subsequent to signing of the convention in 1992, and then only if analyses demonstrate that they are necessary and result in net benefits.

(1) Process

The climate change negotiations will be carried out through a forum provided by the Intergovernmental Negotiating Committee (INC), serviced by a United Nations Secretariat. Following the first session here in Washington, most of the negotiating sessions will be held at UN facilities in Geneva, with one or possibly more sessions in Nairobi. Sessions will be one to two weeks in length, and will be held every three or four months through 1991. Sessions will be scheduled as needed in 1992. Jean Ripert of France is likely to be elected to chair the negotiations.

(2) U.S. Delegation

The U.S. delegation for the first session will be headed by Curtis "Buff" Bohlen, Assistant Secretary of State for Oceans and International Environmental and Scientific Affairs. The alternate head of delegation will be Robert A. Reinstein, Deputy Assistant Secretary of State for Environment, Health and Natural Resources. Reinstein will function as negotiator for this and subsequent sessions. The negotiating team is expected to include 12-15 representatives of the agencies with relevant energy, environmental, scientific and economic expertise and interest in this issue. Federal government agency involvement with the Framework Convention is being coordinated by the Department of State. White House coordination of the negotiations is being provided by the Office of Science and Technology Policy.

(3) Agenda for First Session

Although a draft agenda has not yet been circulated by the UN Secretariat, the following work-plan is anticipated for the nine-day session:

- o Organizational matters -- 1 day;
- o Initial country statements (more than 100 countries are expected to attend) -- 2 days;
- o Establishment of subgroups and preparation of the legal negotiating text -- 5 days; and
- o Other matters (including establishment of relationship with IPCC and setting date and place of next session) - 1 day.

Countries will propose text they wish to see included in the convention. Language not agreed to by all the parties will be bracketed. Little attempt will be made to resolve differences about the text during the first session.

ties

be unable to succeed in this goal and may find it necessary to agree to a convention but believe it to be very important to establish such negotiations in parallel with the framework convention itself.

you may clearly from those for the framework convention itself.

The U.S. will propose several noncontroversial provisions, particularly on scientific and economic research and cooperation. More importantly, as discussed in issue #2 below, the U.S. will seek to convince other countries to adopt the comprehensive approach in the text of the framework agreement.

A summary of other countries' positions on the global change issue and their approach to the Framework Convention negotiations is attached in Appendix A.

(4) Elements for Possible Inclusion in a Framework Convention

In addition to the noncontroversial elements of the framework convention which were identified by the IPCC, we expect several controversial elements to be proposed as well.

-- Targets and Timetables: Several countries will try to force a debate about targets and timetables for reductions of greenhouse gas emissions, particularly carbon dioxide emissions from the burning of fossil fuels, over the next 18 months. All other OECD countries, except Turkey, have made statements arguing that such obligations should be undertaken now, either as part of the convention itself or in protocols negotiated simultaneously with the convention.

-- The Precautionary Principle: Many countries will suggest including an article on the so-called "Precautionary Principle" in the Framework Convention. There is, however, no definition of this principle that is universally accepted. Some have described it as merely a statement reiterating the need to prevent pollution. Others have taken the position that it requires affirmative proof that an activity will not harm the environment before it can be undertaken.

-- Financial assistance: Consistent with the Houston Economic Declaration, a general commitment to promote financial assistance for developing countries will be negotiated in the Framework Convention. Developing countries will undoubtedly propose that this include a commitment to provide "new and additional" funding, a commitment that we oppose. The United States will argue that the newly established Global Environmental Facility (GEF) in the World Bank is the appropriate mechanism through which any multilateral assistance should be processed.

-- Development and transfer of technology: The developing countries have often called for technology transfer on a "preferential and noncommercial basis." Although this language raises the problem of protection of intellectual property rights, there is a wide range of technologies for which this issue does not arise. U.S. negotiators intend to highlight the value of existing cooperation programs.

1/19

QUESTION 1: Should the following strategy be adopted to guide U.S. representatives at the first negotiation session?

1. Propose specific language on scientific cooperation and monitoring consistent with the comprehensive approach.
2. Oppose specific targets and timetables for greenhouse gas emission reduction--particularly carbon dioxide.
3. Oppose general statements of the "Precautionary Principle."
4. Oppose commitment to new and additional financial assistance.
5. Explore ways of promoting technology transfer that will be advantageous to the U.S., taking full account of market forces and the protection of intellectual property rights.

Over the past year, the U.S. has taken a prudent approach to the climate change issue. Other countries have been willing to commit themselves to specific targets and timetables for reducing greenhouse gas emissions with little regard for either the cost or the lack of information necessary to craft an effective plan.

As a result, the U.S. enters these negotiations in an isolated position because it is the only major developed country that has not committed itself to a timetable for achieving specific greenhouse gas reductions. To buttress our prudent approach, we will therefore need to have a well-defined negotiating plan to take to the table in February.

The U.S. can bolster its position on targets and timetables by pointing out during the negotiations the likely economic price, the administrative complexities, and the possible trade problems arising from the imposition of large taxes on the carbon content of fossil fuels (the principal means of achieving major reductions), not to mention the other problems that are far from being solved. We have solid economic and scientific research already under way and partially completed to back up our position.

To address the doubt expressed by other countries concerning the sincerity of our commitment to address the climate issue, we may wish to consider signals that would show the U.S. commitment to act. Indeed, we are already taking concrete steps -- albeit steps justified for other reasons (i.e., energy security, clean air and other proven environmental concerns) -- that address climate issues and that should be used to improve the U.S. bargaining position.

Pros:

- o This strategy underscores U.S. leadership in addressing global climate change.

DRAFT

1/19

7

- o The positions outlined are consistent with past U.S. negotiations on the issue.
- o The strategy emphasizes the importance of reliable scientific and economic research as the basis of any action.
- o Avoiding specific commitments on timetables and levels of reduction until subsequent protocols provides more time to gather the scientific and economic data necessary to make informed decisions.
- o The approach is supported by some other countries (including Canada and some developing countries) and by some environmental leaders.

Cons:

- o This strategy may be considered a delaying tactic by other countries, by environmental groups and by the media.
- o If our position is seen as too passive, it may reduce our leadership position on this issue.
- o The media is likely to continue its criticism of the Administration on this issue.

QUESTION 2: Should U.S. negotiators press other nations to adopt the "comprehensive approach" in the Framework Convention?

Over the past year, the U.S. has actively promoted a "comprehensive approach" to greenhouse gases. Under this approach, all gases would be placed on an equal footing based on a scientifically determined "greenhouse potential index" -- an index taking into account the intrinsic molecular greenhouse efficiency of each gas, its average residence time in the atmosphere and other relevant considerations.

This approach is preferable because: 1) other gases than carbon dioxide are greenhouse gases, some of which are less costly to regulate (such as CFCs); 2) it would encourage developing nations to contribute to limiting the emission of greenhouse gases; 3) it lays the groundwork for a market approach (nationally and internationally) to maximize emission reductions at a the lowest possible cost; and 4) it avoids problems inherent in attempting to develop individual protocols for each greenhouse gas.

Pros:

- o Promoting an innovative approach to the issue of climate

change enhances U.S. leadership in the negotiations.

- o Moves the climate change issue away from a narrow focus on carbon dioxide that places a disproportionate burden on energy and transportation sectors of the economy.
- o It is more scientifically valid than other approaches.
- o Focussing on the total picture, including both sinks and source of any solution, increases the flexibility of efforts to limit the effects of greenhouse gases.

Cons:

- o Some countries may portray our strong support for this approach as a ploy for avoiding the reduction of carbon dioxide.
- o May be considered too complicated for some countries to implement.
- o Scientific uncertainties regarding characteristics and behavior of some of gases make it difficult to calculate exactly comparable indices at this time.
- o Methods for monitoring and reducing emissions from many sources (such as forestry, bovine animals, pipelines) are still being developed.

*greenhouse gases
such as
methane*

QUESTION 3: Should a document be released at the first negotiating session outlining U.S. accomplishments that reduce greenhouse gas emissions?

Although we have opposed specific timetables and targets for reducing emissions, the U.S. has already taken steps that address the possibility of global climate change, such as the global change research program, the Clean Air Act, phasing out CFCs, and the tree initiative. In fact our efforts are unmatched by any other country. Nevertheless, the U.S. has been portrayed as anti-environment at earlier climate change conferences. This situation might change if attention is directed to our achievements. For this reason, we are developing a publication to highlight U.S. accomplishments which could be distributed at the first negotiating session.

The document could be framed as a U.S. "Action Plan" on climate change. While it would be comprised of steps already approved or on their way to being implemented, it is important not to frame the document solely as an "accomplishments" brochure, lest there be an attempt to discount actions already taken in order to press for future commitments. Similar brochures have been prepared and

DRAFT

1/19

9

distributed by other countries at past conferences. A draft for such a document is attached in Appendix B.

Pros:

- o The concrete steps taken by the U.S. compares well with the largely rhetorical policy pursued by critics of the Administration, both at home and abroad.
- o A quality document would demonstrate our interest in the global climate change issue without breaking new policy ground.
- o The U.S. would no longer be the only country without an "Action Plan."

Cons:

- o Could become the focus of a negative campaign by being portrayed as papering over the U.S. unwillingness to make international commitments.
- o May raise questions about why the U.S. still refuses to endorse targets and timetables -- if the U.S. is so close to achieving targets others only talk about, why does it continue to resist targets?
- o Could provide fodder for manipulation by countries or interest groups with opposing views of the United States.

Attachments

**EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF SCIENCE AND TECHNOLOGY POLICY
WASHINGTON, D.C. 20506**

January 21, 1991

Allan:

The accomplishments paper is one of the options in the DPC paper on the framework convention issues.

To ensure proper deference is given to your DPC Global Change process, it would be appropriate to secure from Governor Sununu a general understanding of the procedure for airing the issues in your global change paper. This could be accomplished by discussing the paper at the Tuesday morning staff meeting. I have been told that Ede Holiday is also interested in validating this process.

You could mention that a draft options paper is completed and it will be given to the Governor before we proceed. This will allow a discussion of the appropriate process for discussion of the paper. One possible outcome is an ad hoc meeting with the Governor later in the week.

Having the process clarified with Dick Darman present will validate your global change process, through the strategy task force. It will alleviate any concerns that your global change process can be "end run" by a different process of getting other papers to the Governor or the President.

Ken

2223
LIMITED OFFICIAL USE

TO: The Deputy Secretary

THROUGH: E - Richard T. McCormack

FROM: OES - E.U. Curtis Bohlen

SUBJECT: Circular 175: Request for Authority to Negotiate a Framework Convention on Climate Change

FOR YOUR
COMMENTS/CLEARANCE
in writing by COB,
Monday, 1/7

ISSUE FOR DECISION

Whether to authorize negotiation of a global framework convention on climate change.

ESSENTIAL FACTORS

The United States had consistently called for negotiations on a framework convention on climate change. We have taken this position in, among other fora, the UN General Assembly (Tab A), the Second World Climate Conference (Tab B), and the Houston G-7 Summit (Tab C). The President has twice offered publicly to have the United States host the first negotiating session.

The United States has also participated actively in the Intergovernmental Panel on Climate Change (IPCC) since its inception in 1988. Among other things, UNGA resolution 43/53 (Tab D) gave the IPCC the mandate to review possible response strategies and to identify "elements for inclusion in a possible future international convention on climate." The list of possible elements developed by the IPCC, with the concurrence of the United States, follows at Tab E.

The First Assessment Report of the IPCC noted that the emissions of greenhouse gases due to human activities will result, on average, in an additional warming of the Earth's surface. However, significant uncertainties remain about climate change, particularly regarding the timing, magnitude and regional distribution of its effects. These and other uncertainties, in turn, make it difficult to estimate the costs and effectiveness of possible responses to climate change. Nonetheless, the IPCC report found that "the potentially serious consequences of climate change on the global environment give sufficient reasons to begin by adopting response strategies that can be justified immediately even in the face of significant uncertainties."

U.S. Position

Consistent with the IPCC findings, the framework convention on climate change should provide for monitoring, research and information exchange in order to determine more clearly how human-induced climate change is likely to affect the world's population and environment. The convention should also contain general obligations to take appropriate measures, to promote public awareness, to encourage the development and transfer of relevant technologies, and to cooperate with competent international organizations. The United States strongly believes that more specific obligations should be reserved for possible future elaboration in annexes or protocols based on appropriate scientific and economic assessments. The United States position is that any future specific obligations should address all greenhouse gases, their sources and sinks, comprehensively.

attached prep'd by NM

THE WHITE HOUSE
WASHINGTON

January 22, 1991

MEMORANDUM FOR GOVERNOR SUNUNU

FROM: D. ALLAN BROMLEY

Allan

SUBJECT: RESPONSE TO YOUR REQUEST FOR SPECIFIC POINTS
THAT THE PRESIDENT MIGHT INCLUDE IN A
WELCOMING ADDRESS TO THE FIRST NEGOTIATING
SESSION FOR THE FRAMEWORK CONVENTION ON
CLIMATE CHANGE

o I can well understand that developments in the Gulf may make it impossible for the President to participate in this meeting.

o On three separate public occasions, however, he invited the world's nations to this meeting and his absence may be misunderstood.

o As the following pages indicate, I believe that he can now make a very strong statement about the accomplishments of his Administration. Much has happened since the President spoke to the April White House Conference.

o I include herewith more than you probably want as well as a second copy of the draft of the proposed accomplishments document that I sent you earlier and that was mentioned by Ede at this morning's senior staff meeting.

o I look forward to discussing this material with you tomorrow. I am currently scheduled to see you at 3:15p.m.

BACKGROUND

Over the past year, the U.S. has taken a somewhat cautious approach to the climate change issue - to allow time for gathering enough data and information to insure that the U.S. climate change policy is based upon the strongest scientific and economic knowledge base possible

- o Meanwhile other countries have been willing to commit themselves to specific targets and timetable for greenhouse gas emissions reduction - with little regard for their ability to achieve their commitments or any knowledge of the cost of their actions
- o While our approach toward any specific plan for stabilization has been factually well-justified, it has been poorly-understood and our motives have been badly misconstrued.
- o We now enter the negotiations from a relatively isolated position, because we are now the only developed country which has not committed to some plan to address the greenhouse gas issue

Therefore, to reestablish our the international leadership on this issue for the President and for the Administration, we need to have a clearly-articulated position on this issue - and we need to make it clear that while everyone else has been talking, we have been acting.

Toward this end, the Administration has:

- . Put together a constructive and firm approach for participation in the negotiations
- . Created an innovative, and more scientifically valid approach to the greenhouse gas issue - The Comprehensive Approach - which focusses on the total picture, including both sinks and sources of ghg.
- . Compiled a description of the actions which we have been taken which address the climate change issue but which were taken because they had merit in their own right (e.g., the Clean Air Act, phasing out CFC's, the tree initiative) and the list is startling - taken together, the acitons are unmatched by any other country.

The President now has a comprehensive U.S. STRATEGY for leadership and action he can announce on behalf of the nation which outlines specific steps the U.S. is taking in its approach to the climate change issue

The President can distribute copies of a document - the U.S. "Action Plan" which outlines a startling number of specific, significant actions the U.S. is taking which directly address this issue

- o By the way, to the best of our knowledge, other countries do not have a clue that we may have prepared this document - or are even considering a "plan"
- o While other countries have all been talking - we have been taking action and this "Action Plan" showcases exactly what we have done

The President can now announce that the actions which are currently included in the U.S. Climate Change Strategy will result in U.S. greenhouse gas emissions in the year 2000 being equal to or lower than 1987 levels.

The specific actions which contribute to this result include:

1. Phasing out CFC's and other ozone-depleting compounds which are also strong ghg)
2. Putting a permanent ceiling on sulphur dioxide emissions, at sharply reduced levels
 - . Allowing freedom of choice in meeting the ceilings thereby encouraging energy efficiency and reducing ghg emissions
 - . Under CA Act Emendments, utilities were given flexibility to make reductions by any means - a powerful incentive for energy saving measures
3. Reducing, under CA Act, air pollutants which are either ghg themselves (NOs) or ghg precursors (VOCs, CO, and NOs)
4. Plant a billion trees a year/ other forest improvements
5. Programs to speed adoption of energy efficient technologies/practices in homes and businesses
6. Promoting use of and accelerating research on non-fossil fuel energy sources (solar, nuclear, alternative fuels)

The U.S. and Global Change - Approach to the Framework Convention Negotiations

o The U.S. is prepared to take to the first negotiating sessions of the Framework Convention on Climate Change an innovative approach to the climate change issue - the "Comprehensive Approach"

- . Moves the climate change issue from the narrow focus on one gas (CO₂ - which primarily results from the energy and transportation sectors)

- . All gases are treated on an equal footing based on a scientifically determined "greenhouse potential index" which takes into account not only their intrinsic molecular greenhouse efficiency but also their average residence time in the atmosphere and other considerations.

- . Scientifically more valid approach because considers all of the significant human-influenced trace gases that effect climate

- . Also considers "sinks" of greenhouse gases which are key part of solution to increases in atmospheric concentrations of greenhouse gases

- . Allows countries more flexibility in policy responses to reducing greenhouse gas emissions

- . Recognizes that Third World Countries with their methane and other emissions are also significant contributors to the greenhouse problem

- . Will make possible a market approach in greenhouse situation at minimum cost

- . Avoids the potential problems associated with developing separate protocols for each greenhouse gas

o Accomplishments which this Administration has achieved through actions pursued because they had merit in their own right (e.g., US Global Change Research Program, the Clean Air Act, phasing out CFC's, the tree initiative, etc) are unmatched by any other country.

o Two recent studies have shown that current policy commitments will result in greenhouse gas emissions in the year 2000 being less than or equal to 1987 emissions.

o The actions (general list) which the U.S. is implementing to achieve a variety of non-climate benefits, which have resulted in stabilization of greenhouse gas emissions at the 1987 level include the following:

- o elimination of stratospheric ozone depleting compounds which are also strong greenhouse gases
- o increase of forest greenhouse gas sinks
- o direct control of various greenhouse gases and their precursors which are also air pollutants
- o regulation of utilities and other air pollutant sources so as to strongly encourage energy efficiency
- o promotion of energy efficiency by wide range of other actions
- o increase the use of renewable sources of energy

o Other actions which should be on the list of accomplishments of the U.S. regarding the greenhouse issue:

- o The U.S. is also carrying out the world's largest program of R&D
 - o To increase our understanding of the science and economics of climate change for sounder knowledge base for making policy decisions
 - o To develop and to accelerate the adoption of economically sound and environmentally benign technologies which will be essential if massive increases in GHG emissions from world economic growth are to be avoided
- o The US has strong energy efficiency incentives to build on past U.S. energy efficiency performance which compare well with that of other industrial countries
- o The U.S. has essentially stabilized its emissions of CO₂ over the last 15 years despite a growth in economic output of about 50%. Most other countries have increased their CO₂ emissions over this period, many substantially
- o The U.S. has reduced its emissions of several other greenhouse gases over the last 15-20 years
 - o Chlorofluorocarbon (CFC) emissions were substantially reduced, grew somewhat as certain uses grew, and are now being reduced toward zero
 - o Carbon monoxide (CO) and volatile organic compounds (VOCs) were reduced substantially

o Current U.S. actions (taken for other reasons) which will contribute to restricting greenhouse gas emissions in the year 2000 by 1987 levels consist of:

o phasing out CFC's and other ozone-depleting compounds which are also greenhouse gases

o Encouraging energy efficiency strongly, and thereby reducing greenhouse gas emissions, by putting a permanent ceiling on sulphur dioxide emissions and giving utilities the flexibility to make reductions by energy saving measures under the recently enacted Clean Air Act Amendments

o Reducing, under the Clean Air Act, air pollutants which are either greenhouse gases themselves (carbon monoxide and nitrogen oxides) or greenhouse gas precursors (volatile organic compounds and nitrogen oxides)

o Initiating a program to plant a billion trees a year on 1.5 million acres and to make other forest improvements

o Implementing a number of programs aimed directly at speeding the adoption of energy efficient technologies and practices

o taking actions to increase the use of non-fossil fuel energy sources, such as hydropower, photovoltaics, and biofuels

o Energy Efficiency Initiatives - more efficient lighting in Federal facilities

o More efficient lighting in commercial buildings

o Promote State efforts to institute utility integrated resource planning for end use energy efficiency

o Encourage State and local governments to adopt DOE interim building standards

o Expand the Energy Analysis and Diagnostic Center Program to increase energy audits

o Use of DOE building standards by HUD in public housing assistance program

o Renewable Energy Initiatives

o Expand hydropower capacity

o Accelerate the transfer of photovoltaic technology to US commercial production

o Increase use of biofuels for transportation

THE WHITE HOUSE

WASHINGTON

January 22, 1991

MEMORANDUM FOR THE DOMESTIC POLICY COUNCIL

FROM: The Global Change Working Group

SUBJECT: Framework Convention on Climate Change

ISSUE:

Negotiators representing the United States at the first negotiating session of the Framework Convention on Climate Change on February 4, 1991 require guidance on three issues:

- (1) Aspects of the strategy U.S. representatives should follow during the negotiations;
- (2) Whether we should press other nations to adopt the "comprehensive approach;" and
- (3) Whether a document outlining U.S. accomplishments should be released at the first negotiating session.

BACKGROUND:

1. The General Situation.

Formal negotiations on a framework convention will take place, over the next 18 months, under the auspices of the United Nations General Assembly. Although differences exist regarding the purpose of the Convention, it is our understanding that the Convention should establish an institutional basis for international cooperation on climate change including the conduct of scientific research and the exchange of climate change information. It will also provide the legal and logistical structure for future protocols or annexes (if any) containing specific commitments. The Convention is expected to be ready for signing at the June 1992 U.N. Conference on Environment and Development in Brazil.

President Bush has invited other nations to meet in Washington for the first negotiating session. This is scheduled to take place February 4 to 14, 1991. The first negotiating session will focus on organizational and procedural issues. This paper provides background on the question of climate change and addresses three issues that need to be considered prior to the negotiations.

2. Previous International Action.

The World Meteorological Organization and the United Nations Environment Programme set up the Intergovernmental Panel on

Climate Change (IPCC) in 1987 as a vehicle to assess scientific information pertaining to climate change, impacts of such change, and possible strategies to assist in responding to potential changes. The U.S. participated in and accepted the activities of the IPCC.

At the Second World Climate Conference in November 1990, the IPCC adopted an interim report. This report addressed four major areas of climate change: (1) research; (2) the impacts of potential change; (3) response strategies; and (4) legal measures to implement response strategies, including possible elements of a framework convention on climate change. This report forms the basis for the negotiations on a framework convention on climate change.

The Second World Climate Conference agreed that the scientific conclusions set out by the IPCC reflect the international consensus of scientific understanding of climate change, including these key points:

- o "Emissions resulting from human activities are substantially increasing atmospheric concentrations of greenhouse gases. These increases will enhance the natural greenhouse effect, resulting on average in an additional warming of the Earth's surface."
- o "Without actions to reduce emissions, global warming is predicted to reach 2 to 5 degrees C over the next century, a rate of change unprecedented in the past 10,000 years."
- o "The warming is expected to be accompanied by a sea level rise of 65 cm (+/- 35 cm) by the end of the next century."
- o Substantial scientific uncertainty continues regarding the details of climate change. To narrow the uncertainties, on-going research is being conducted in high priority areas, such as oceans, clouds, carbon cycle, polar ice sheet, and sea ice.

Some policy makers do not share the certainty reflected by the predictions published in the IPCC report, because of the unsettled state of the scientific analysis.

3. The Science of Climate Change.

Studies show that concentrations of greenhouse gases have increased. However, the causes of this increase--including both natural and human factors, as well as the way these may affect regional climate patterns and the earth's temperature regulation process--continue to be unclear. Certain gases, such as carbon

dioxide, methane, nitrous oxide, and chlorofluorocarbons (CFC's), increase the retention of heat in the atmosphere.

Natural processes are responsible for twenty times the amount of greenhouse gas fluctuations than those caused by human activities. For instance, even though nitrous oxide is emitted by the manmade process of burning fossil fuels and using nitrogen fertilizers, it is also emitted by the natural aerobic decomposition of organic matter in oceans and soils and by bacteria. Nevertheless, significant changes in atmospheric concentrations are being caused by human-related activities, largely reflecting increases in industrialization.

The earth adapts to changes in greenhouse gas concentrations through a complex system that naturally regulates global temperatures. One result of this natural regulatory process may be changing climate patterns and higher average temperatures. This system is not only affected by "sources" of greenhouse gas emissions, but also by "sinks" that sequester concentrations of these gases. The system also includes the radiation of energy into space.

Although scientific research on the relation between the emission of greenhouse gases and climate change has focussed on global warming, this is only one of several interrelated climate phenomena that may be affected by such emissions. Other climate phenomena that may be affected include the patterns and amounts of precipitation, the patterns and severity of storms, as well as the mean sea level. Each of these climate phenomena may involve significant fluctuations in temperature over wide regions of the earth's surface. It is important to note that the effects of climate change may vary by region. Changes in temperature and precipitation may cause adverse effects in some areas of the world while resulting in beneficial effects in other areas.

Computer models have been developed to predict the effects on climate of different concentrations of greenhouse gases. Nevertheless, these computer models are not yet able to reflect the natural system of temperature regulation with much accuracy. As a result, scientists are not able to agree on the magnitude, spatial distribution, and timing of any climate changes caused by increased concentrations of greenhouse gases and the effect of natural mitigating factors. The computer models are particularly poor guides to regional variations of climate changes. These changes are the basis upon which economic impact studies are made, and are key to the development of responsible policy decisions.

4. The Economics of Climate Change.

Cost-benefit analyses of proposals for reducing emissions compare the costs of such proposals with any benefits they would produce

by altering climate processes. These benefits would equal the total costs of projected climate changes (often called the costs of not acting) only for proposals that promise to stabilize the climate. Most emission limitations that have been proposed internationally would reduce natural and human emissions only slightly and would therefore have only a minor effect on climate processes.

Economic studies of climate change issues have only just begun and little is yet known. For example, there are few quantitative analyses of the cost of sea level rise. Nor has there been much study of the impact that future climate changes may have on the agriculture, forestry and fishing industries, which are sensitive to climate variations. These industries amount to only 3 percent of the U.S. GNP, but they represent a much larger part of the economies of developing nations.

Studies based on historical data regarding carbon dioxide emissions suggest that stabilization or small reductions would impose costs on the order of 1 percent of GNP for industrialized countries by the turn of the century and that those costs would rise over time. Other studies based on analyses of particular technologies suggest that, in principle at least, costs could be more modest. Advances in technology could lower baseline emissions, costs of reduction, and the tendency of costs to rise over time.

5. Energy Issues in Climate Change.

Even though human activities cause only a fraction of greenhouse gas emissions, international talks have focused on reducing man-made emissions, especially emissions from the use of fossil fuel. The U.S. produced almost 6 billion tons of carbon dioxide from fossil fuels in 1988. Because this was about 25 percent of all man-made carbon dioxide emissions world-wide, the U.S. has become a large target for criticism from other countries despite our positive record on overall greenhouse gas emission control. It is worth noting that the U.S. also produces about 25 percent of the world's GNP, so that its share of man-made carbon dioxide emissions compares with its share of production.

THE CLIMATE CONVENTION NEGOTIATIONS:

A framework convention establishes general obligations and procedures for carrying out these obligations. Specific commitments are usually included in subsequent annexes or protocols to a convention. Nevertheless, several countries are pressing to include specific obligations for targets and timetables for stabilizing emissions of certain gases in the convention or in protocols negotiated simultaneously with the convention.

We have taken the position that such commitments are premature and should be negotiated only after signing a framework convention. Even then commitments should be made only if analyses demonstrate that they are necessary and will result in net benefits. The model is the Vienna Convention (March 22, 1985) on ozone depletion and the subsequent Montreal Protocol (September 16, 1987). We are uncertain of the level of support the U.S. will receive on our position and may have to reconsider if other countries fail to support us.

1. The Process.

The climate change negotiations will be carried out through the auspices of the Intergovernmental Negotiating Committee, serviced by a United Nations Secretariat. Following the first session here in Washington, most of the negotiating sessions will be held at U.N. facilities in Geneva, with one or possibly more sessions in Nairobi. Sessions will be one to two weeks in length, and will be held every three or four months through 1991. Sessions will be scheduled as needed in 1992. Jean Ripert of France is likely to be elected to chair the negotiations.

2. The U.S. Delegation.

The U.S. delegation for the first session will be headed by Curtis "Buff" Bohlen, Assistant Secretary of State for Oceans and International Environmental and Scientific Affairs. The alternate head of delegation will be Robert A. Reinstein, Deputy Assistant Secretary of State for Environment, Health and Natural Resources. Reinstein will function as negotiator for this and subsequent sessions. The negotiating team is expected to include 12-15 representatives of the agencies with relevant energy, environmental, scientific and economic expertise and interest in this issue. Federal government agency involvement with the framework convention is being coordinated by the Department of State. White House coordination of the negotiations is being provided by the Office of Science and Technology Policy.

3. Agenda for the First Session.

Although a draft agenda has not yet been circulated by the U.N. Secretariat, the following work-plan is anticipated for the nine-day session:

- o Organizational matters (1 day);
- o Initial country statements (2 days);
- o Establishment of subgroups and preparation of the legal negotiating text (5 days); and
- o Other matters such as defining the relationship between the IPCC and these talks (1 day).

Countries will propose text they wish to see included in the convention. Language not agreed to by all the parties will be bracketed. Little attempt will be made to resolve differences about the text during the first session.

The U.S. will propose several non-controversial provisions, particularly in the area of scientific and economic research and cooperation. More importantly, as discussed in question 2 below, the U.S. will seek to convince other countries that they should adopt the comprehensive approach in the text of the framework agreement.

A summary of other countries' positions on the global change issue and their approach to the framework convention negotiations is attached in Appendix A.

4. Elements for Possible Inclusion in the Framework Convention.

In addition to certain non-controversial elements of the framework convention identified by the IPCC, we expect several controversial elements to be proposed as well.

-- Targets and Timetables: Several countries will try to force a debate about targets and timetables for reductions of greenhouse gas emissions, particularly carbon dioxide emissions from the burning of fossil fuels, over the next 18 months. All other OECD countries, except Turkey, have made statements arguing that such obligations should be undertaken now, either as part of the convention itself or in protocols negotiated simultaneously with the convention.

-- The Precautionary Principle: Many countries will suggest putting an article on the "Precautionary Principle" into the framework convention. As yet, there is no commonly accepted definition of this principle. Some believe it merely reiterates the need to prevent pollution. Others hold that it imposes a burden of proof, i.e., that an activity cannot be undertaken unless proof can be shown that it will not harm the environment.

-- Financial assistance: Consistent with the Houston Economic Declaration, a general commitment to promote financial assistance for developing countries will be negotiated in the framework convention. Developing countries will undoubtedly propose that this include a commitment to provide "new and additional" funding, a commitment that we oppose. The United States will argue that the newly established Global Environmental Facility in the World Bank is the appropriate mechanism through which any multilateral assistance should be processed.

-- Development and transfer of technology: The developing countries have often called for technology transfer on a "preferential and noncommercial basis." Although this language

raises the problem of protection of intellectual property rights, there is a wide range of technologies for which this issue does not arise. U.S. negotiators intend to highlight the value of existing cooperation programs.

QUESTION 1: Should the following strategy be adopted to guide U.S. representatives at the first negotiation session?

1. Propose specific language on scientific cooperation and monitoring consistent with the comprehensive approach.
2. Oppose specific targets and timetables for greenhouse gas emission reduction--particularly carbon dioxide.
3. Oppose extreme statements of the "Precautionary Principle."
4. Oppose commitment to new and additional financial assistance.
5. Explore ways of promoting technology transfer that will be advantageous to the U.S., taking full account of market forces and the protection of intellectual property rights.
6. Highlight steps already taken to show U.S. commitment to act. (See Question 3 for further elaboration).

Over the past year, the U.S. has taken a prudent approach to the climate change issue. Other countries have been willing to commit themselves to specific targets and timetables for reducing greenhouse gas emissions with little regard, in some cases, for either the cost or the lack of information necessary to craft an effective plan.

The U.S. is widely perceived as entering these negotiations in an isolated position, since it is the only major developed country that has not committed itself to a timetable for achieving specific greenhouse gas reductions. Therefore, to buttress the prudence of our approach we will need to have a well-defined negotiating plan to take with us to the table in February.

The U.S. can bolster its position on targets and timetables by pointing out the scientific uncertainties as well as the likely costs, administrative complexities, and possible trade problems that could arise from the imposition of large taxes on the carbon content of fossil fuels--the primary means for achieving major reductions. We have solid economic and scientific research already under way and partially completed that could be used to back up this position.

To address the doubt expressed by other countries concerning the sincerity of our commitment on the climate change issue, we may wish to consider signals that would show the U.S. commitment to act. Indeed, we are already taking steps--albeit steps justified for other reasons such as energy security, clean air and other

environmental concerns--that address climate issues and that can be used to improve the U.S. bargaining position. (Question 3 sets forth a specific proposal in this regard).

Pros:

- o This strategy highlights steps already taken that demonstrate U.S. leadership, and underscores the prudence of the U.S. approach for addressing global climate change.
- o The positions outlined are consistent with past U.S. negotiations on the issue.
- o The strategy emphasizes the importance of reliable scientific and economic research as the basis of any action.
- o Avoiding specific commitments on timetables and levels of reduction until subsequent protocols provides more time to gather the scientific and economic data necessary to make informed decisions.
- o The approach is supported by some other countries (including Canada and some developing countries) and by some environmental leaders.

Cons:

- o This strategy may be considered a delaying tactic by other countries, by environmental groups and by the media.
- o If our position is seen as too obstructionist, it may reduce our negotiating leverage on this issue.
- o The media is likely to continue its criticism of the Administration on this issue.

QUESTION 2: Should U.S. negotiators press other nations to adopt the "comprehensive approach" in the Framework Convention?

Over the past year, the U.S. has actively promoted a "comprehensive approach" to greenhouse gases. Under this approach, all gases would be placed on an equal footing based on a scientifically determined "greenhouse potential index"--an index taking into account the intrinsic molecular greenhouse efficiency of each gas, its average residence time in the atmosphere and other relevant considerations.

This approach is preferable because: (1) other gases than carbon dioxide are greenhouse gases, some of which are less costly to

regulate (such as CFC's); (2) it would ensure that developing nations contribute to the international effort; (3) it lays the groundwork for a market approach (nationally and internationally) to reduce emissions at the lowest possible cost; (4) it avoids problems inherent in attempting to develop individual protocols for each greenhouse gas, and (5) it focuses attention on the potential for expanding sinks that sequester greenhouse gas emissions.

Pros:

- o Promotes an innovative approach to the issue of climate change enhances U.S. leadership in the negotiations.
- o Moves the climate change issue away from a narrow focus on carbon dioxide which places a disproportionate burden on energy and transportation sectors of the economy.
- o It is a more valid approach, from a scientific perspective, than other approaches.
- o Focussing on the total picture, including both sinks and sources, increases the flexibility of efforts to limit the effects of greenhouse gases.

Cons:

- o Some countries may portray our strong support for this approach as a ploy for avoiding the reduction of carbon dioxide.
- o May involve measurement requirements too sophisticated for some countries to handle.
- o Scientific uncertainties regarding characteristics and behavior of some of the gases make it difficult to calculate exactly comparable indices at this time.
- o Methods for monitoring and reducing emissions of greenhouse gases from sources such as forestry, bovine animals, and pipelines are still being developed.
- o May become a tactical bargaining chip that could be used to pressure the U.S. into accepting targets and timetables.

QUESTION 3: Should a document be released at the first negotiating session outlining U.S. accomplishments that reduce greenhouse gas emissions?

Although we have opposed specific timetables and targets for reducing emissions, the U.S. has already taken steps that address

the possibility of global climate change, such as the global change research program, the Clean Air Act, phasing out CFC's, and the tree initiative. In fact our efforts are unmatched by any other country. Nevertheless, the U.S. was portrayed as anti-environment at earlier climate change conferences principally because of our lack, to date, of initiatives in the energy sector. This situation might change if attention is directed to our achievements. For this reason, we are developing a publication to highlight U.S. accomplishments which could be distributed at the first negotiating session.

The document could be framed as a U.S. "Action Plan" on climate change. While it would be comprised of steps already approved or on their way to being implemented, it is important not to frame the document solely as an "accomplishments" brochure, lest there be an attempt to discount actions already taken in order to press for future commitments. Similar brochures have been prepared and distributed by other countries at past conferences. A draft for such a document is attached in Appendix B.

Pros:

- o The concrete steps taken by the U.S. compare well with the largely rhetorical policy pursued by critics of the Administration.
- o A quality document would demonstrate our rigorous interest in the global climate change issue without breaking new policy ground.
- o The U.S. would no longer be the only country without an "Action Plan."

Cons:

- o Could become the focus of a negative campaign by being portrayed as papering over the U.S. unwillingness to make new international commitments.
- o May raise questions about why the U.S. still refuses to endorse targets and timetables--if the U.S. is so close to achieving targets others only talk about, why does it continue to resist targets?
- o Could provide fodder for manipulation by countries or interest groups with opposing views of the United States.

Attachments

POSITIONS ON CO₂ EMISSION TARGETS

		Base Year (when specified)
Stabilization by 1995:	Netherlands	1989-90
Stabilization by 2000:	Australia	1988
	Austria	
	EC Commission	1990
	Finland	
	Italy	1990
	Japan	1990
	Norway	1987
	Sweden	1988
	Switzerland	
Stabilization at ~ 10% over current levels by 2000:	France	
Stabilization by 2005:	Canada	1988
	United Kingdom	1990
3-5% reduction by 2000:	Netherlands	1989-90
20% reduction by 2005:	Australia	1988
	Denmark	
	New Zealand	1990
25% reduction by 2005:	Germany	1987
Support targets for industrialized countries, weaker or no targets for LDCs:	Brazil	
	China	
	India	
	Malta	
	Mexico	
	Saudi Arabia	
Oppose targets:	Israel	
	USSR	
	Venezuela	

Country Targets and Timetables

Australia

Cabinet announced target 11 October of stabilizing CO₂, CH₄, N₂O at 1988 levels by 2000, reducing 20 percent by 2005, provided no net adverse effect on Australian competitiveness if other major developed nations do not take similar actions.

Austria

Urged at February IPCC plenary that industrialized countries stabilize by 2000 as first step; no specific domestic target set.

Belgium

Said at IEA meeting in July that it had begun taking actions that would lower emissions, but had not yet conducted the analysis necessary to justify establishing a target. Supported US position at Bergen.

Brazil

President Collor noted in June World Environment Day speech the need for specific commitments for the stabilization and reductions of CO₂ emissions per capita. He implied, but did not explicitly state, that he was referring foremost to the fossil fuel emissions of developed countries.

Canada

Pledged in June to stabilize CO₂ at 1988 levels by 2005.

China

Strongly implies that it favors targets for developed countries, opposes them for LDCs. Projects substantial CO₂ emissions growth.

Denmark

National energy plan calls for 20 percent CO₂ reduction by 2005.

EC Commission

Favors stabilization of CO₂ at 1990 levels by year 2000, significant reduction by 2005.

Finland

Urged at IPCC February plenary that industrialized countries stabilize by year 2000 as first step, no specific domestic target set.

France

Proposed in September a three-tiered global strategy to converge per capita CO2 emissions rates by early 21st century. Under this plan, France would stabilize its emissions at or below 2.0 tons per capita by 2000 (up to a 10 percent increase from current levels), provided that other major industrialized countries agree to stabilize their emissions.

Germany

Cabinet announced in June non-binding commitment to reduce CO2 emissions 25 percent from 1987 levels in former West German area by 2005.

India

Opposes targets for developing countries.

Israel

Opposes targets.

Italy

Supports stabilization of CO2 at 1990 levels by 2000 as part of EC-wide initiative. No domestic target set.

Japan

Announced action plan 19 October to stabilize CO2 emissions per capita at 1990 levels by 2000. Methane emissions will also be capped at current levels. Gross CO2, N2O, and other greenhouse gas emissions will be stabilized by 2000 if feasible.

Malta

Supports targets and timetables; no domestic target set.

Mexico

Appreciates unilateral commitments by industrialized countries to stabilize emissions by 2000. Believes obligations should be equitably differentiated according to

countries' respective responsibilities for causing and combatting climate change and their level of development.

Netherlands

Parliament passed in September revised National Environmental Policy Plan, calling for stabilization of CO2 emissions at 1989-90 average by 1994-95, 3 to 5 percent reduction by 2000. Government officials describe commitment as binding.

New Zealand

Environment minister announced plans in September to reduce CO2 emissions 20 percent from 1990 levels by 2005.

Norway

National goal is stabilization at 1987 levels by 2000, provided other countries take similar actions.

Portugal

Opposes targets.

Saudi Arabia

Favors stabilization by 2000 target for industrialized countries; no domestic target set.

Spain

Would support EC stabilization target if scaled to current per capita emissions so as to be equitable among EC members.

Sweden

Parliamentary mandate to stabilize CO2 at 1988 levels. Supported call at IPCC February plenary for stabilization by 2000.

Switzerland

Urged at IPCC February plenary that industrialized countries stabilize emissions by year 2000 as first step; no domestic target set.

United Kingdom

Prime Minister Thatcher announced in May that the UK would enact a strategy to achieve a stabilization of CO2 emissions at 1990 levels by 2005, provided other major industrialized countries take similar steps.

USSR

Opposes targets.

Venezuela

Opposes targets.

Note: Only the government of the Netherlands describes its target as binding.

America's Climate Change Strategy



An Action Agenda

THE COMPREHENSIVE APPROACH TO CLIMATE CHANGE

The science and economics of human interactions with the global climate involve multiple trace gases affected by activities in every sector of human society. Each of these greenhouse gases is emitted from a variety of sources and is trapped or affected by "sinks" in different ways. Each gas has a different residence time in the atmosphere, a different ability to trap heat, and different potential impacts on the environment. What is

The "Comprehensive Approach" has several advantages:

- It provides flexibility for each nation to develop a diverse, innovative, cost-effective mix of measures to meet its global responsibilities in a manner tailored to its own domestic circumstances; and
- It is designed to employ the results of integrated scientific and economics research on a comprehensive basis, using the results of our research

giving carbon dioxide a value of 1 and expressing all other gases in terms of carbon dioxide equivalents. This "index" enables a comparison of the contributions of different gases, their sources and sinks. (See chart opposite)

The costs of achieving a given reduction in the added greenhouse effect will vary from gas to gas and will vary depending on which sources or which sinks of any given gas are affected. Using the Comprehensive

carbon monoxide, and nitrogen oxides, in addition to reducing emissions of the more familiar pollutants such as sulfur dioxide. Moreover, the Act will result in direct carbon dioxide reductions due to more efficient electricity generation. When converted into equivalent units of carbon emissions and taken together, these reductions will amount to a 16% decrease in greenhouse gases from these affected sources between the years 1987 and 2000.

The most dramatic reductions will come from electrical utilities. Under the Act, utilities, which must reduce sulfur dioxide (SO₂) emissions by 10 million tons below 1980 levels, are given flexibility to choose how to achieve these reductions. Utilities are thus free to choose cost-effective conservation measures to achieve compliance. This powerful conservation stimulus will sharply reduce carbon dioxide (CO₂) emissions from this sector.

Further, the Act requires utilities to reduce their nitrogen oxide emissions by two million tons under the acid rain provisions. These provisions also contain strong incentives for both electric utilities and industrial sources to adopt advanced, energy efficient technologies that will lower overall emissions, including carbon dioxide.

controls on stationary and mobile sources mandated by the new Act in order to bring cities into attainment of national air quality standards. A wide variety of stationary sources of volatile organic compounds will be required to reduce emissions by adding controls or by changing production processes. Newly tightened automobile emission standards will further reduce emissions of hydrocarbons, carbon monoxide, and nitrogen oxides, and new controls on gasoline evaporation will greatly cut volatile organic emissions. In addition, gasoline itself will be reformulated to reduce its volatility, thus reducing volatile organic emissions at the source.

The Act will dramatically expand the introduction of clean-burning alternative fuels into the U.S. transportation sector. Several large states and the fleets of America's major cities are expected to introduce fuels and vehicle technology which will emit fewer greenhouse gases. Beginning in model year 1994, new tailpipe emissions standards for hydrocarbons, carbon monoxide, and nitrogen oxides will be phased in. Auto manufacturers will also have to reduce refueling emissions. Gasoline volatility will be

vehicle technology and cleaner fuels to meet tight standards. Twenty-six areas will have to limit emissions from centrally-fueled fleets of 10 or more vehicles.

Regulations are also being proposed under the new source performance standards of the Clean Air Act to require capture of pollutant gases which are given off by landfills. The purpose of the regulations is to capture air toxics and volatile organic compounds which are the chemical precursors of greenhouse gas ozone. Methane will also be captured and flared. Greenhouse gas emissions in the year 2000 will be reduced by an estimated 44 million tons of carbon equivalent.

causing. All other countries, with one or two exceptions, continued to use CFCs as propellants.

At the London Meeting of Parties to the Montreal Protocol the U. S. supported a complete world-wide phase-out of CFCs, halons, and certain other ozone depleting substances such as carbon tetrachloride and methyl chloroform. The Protocol was amended to achieve that objective.

Protocol provisions. (See charts opposite)

For each and every one of these compound groups and gases, the Clean Air Act reduces the allowed U. S. production and consumption between now and the final phase-out date substantially below what the Protocol permits. (For example, see chart regarding CFC production)

Between now and the phase-out dates the U. S., under the mandates of the Clean Air Act, must reduce U.S. production below what is permitted by the Montreal Protocol by the following amounts:

each compound are its ozone depleting potential (ODP) multiplied by \$ 1.37 per pound in 1990 and 1991, \$ 1.67 in 1992, \$ 2.65 in 1993 and 1994, and an increase of an additional \$ 0.45 in each year after 1994.

This tax has already helped to reduce U. S. CFC production in the 12-month period ending June 30, 1990 to 23 % below the levels permitted by the Montreal Protocol and other U.S. law.

While these actions by the United States are justified by their benefits relating to stratospheric ozone depletion, they are also very highly significant for climate change. CFCs, halons, and carbon tetrachloride are extremely powerful greenhouse gases, thousands of times more powerful than carbon dioxide. Methyl chloroform is also a strong greenhouse gas that is in wide use. (See discussion of Comprehensive Approach above)

"Cumulative Near-term reductions in Clean Air Act Below the Montreal Protocol"

Major CFCs	19%
Halons	32%
Other CFCs	22%
Carbon Tetrachloride	13%
Methyl Chloroform	20%

Page 3

THE 1990 CLEAN AIR ACT AMENDMENTS

The 1990 Clean Air Act Amendments, signed by the President in November 1990, will achieve substantial reductions of greenhouse gases and their chemical precursors, such as volatile organic compounds, carbon monoxide, and nitrogen oxides,

The Act is also expected to induce oil-burning utilities to switch to natural gas, which produces fewer greenhouse gases than does oil.

Substantial reductions in either greenhouse gases or their chemical precursors will also result from new

reduced and cleaner fuels will be required in the nine cities with the worst ozone problems and in 41 areas during the winter months when carbon monoxide standards are exceeded. A clean fuel car pilot program in California will use combinations of vehicle technology and cleaner fuels to

important in addressing future climate change is the total and cumulative affect of all gases and all sinks.

In November, the government ministers at the Second World Climate Conference (SWCC) declared: "We recommend that in the elaboration of response strategies, over time, all greenhouse gases, sources, and sinks be considered in the most comprehensive manner possible ..."

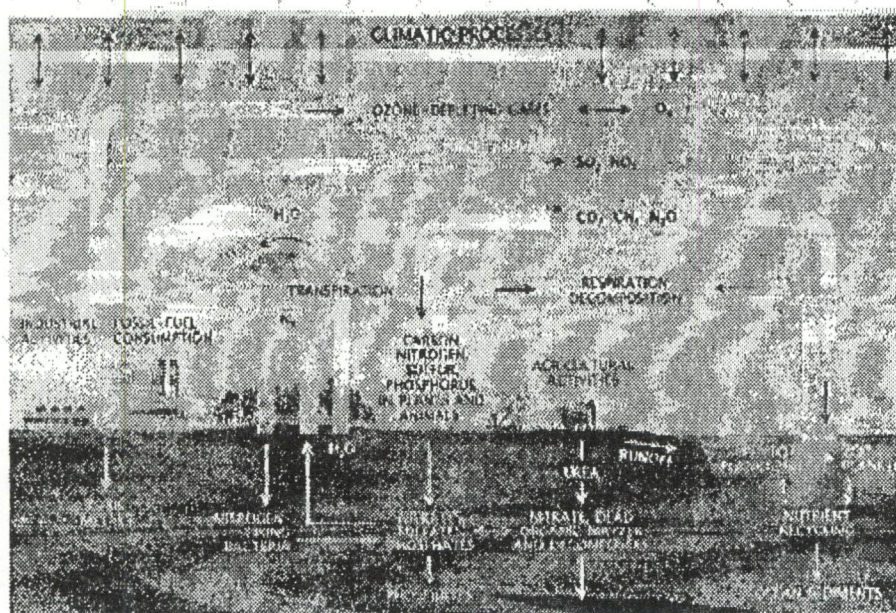
investment to maximize benefits to the environment and humanity.

The relative benefit from a unit reduction in the net emissions of each greenhouse gas can be approximated by a measure of "global warming potential" based on the radiative behavior of the gas in the current atmosphere. The Intergovernmental Panel on Climate Change (IPCC) has calculated such a relative measure,

Approach, maximum reduction in net emissions or atmospheric concentrations can be achieved for any given level of investment.

If emissions limits were designed to apply piecemeal to one greenhouse gas or economic sector, economic actors could simply adjust to such narrowly focused regulation by shifting to unregulated activities that could continue to contribute to potential climate change.

A comprehensive approach, on the other hand, matches the scientific, economic, and environmental nature of the whole climate system.



PHASING OUT CFC's

The United States has long taken a leadership role in addressing the problem of stratospheric ozone depletion. In 1978 the U. S. banned the use of CFCs as propellants in spray can products. Such use was considered a low value use which could be forgone given the potential damage which it was believed that CFCs might be

BEYOND THE MONTREAL PROTOCOL

The U. S. has enacted legislative provisions in the recent Clean Air Act amendments which will phase down U. S. production and consumption of these ozone depleting compounds more quickly than the amended Montreal

THE U.S. IS AHEAD OF SCHEDULE

In addition to the more restrictive phase-out schedules required by the Clean Air Act, the 1989 Reconciliation Act enacted a tax on ozone-depleting chemicals during the period of phase-out. The tax rates for each compound are its ozone-depleting

ENERGY INITIATIVES: *Renewables and Non-fossil Fuels*

Accelerate the transfer of photovoltaic technology to U.S. commercial production:

Recent laboratory research has achieved photovoltaic efficiencies of over 30%. With such efficiencies and improved manufacturing, today's \$4-5 prices per peak watt could be cut in half.

The U.S. will start an intensive effort with industry to understand potential improvements in photovoltaic processes. Industry joint ventures to provide practical solutions and maximize transfer of results will be encouraged. The U.S. will also provide cost-shared technical assistance to adapt manufacturing improvement techniques to specific processes. By the year 2000, greenhouse gas emission reductions will begin to phase in at 500,000 metric tons of carbon equivalent.

Expand nuclear energy capacity:

As the Nation enters the 1990s, nuclear power is the second largest source of U.S. electricity, providing almost 20 percent of America's electricity needs, and nuclear power causes no greenhouse gases.

Because of the availability of nuclear power the nation was able to avoid the use of large amounts of fossil fuels in 1989. In terms of the displacement of fossil fuels, nuclear power can take credit for reduced utility emissions of carbon dioxide—a major "greenhouse" gas—by 20 percent, or approximately 128 million tons. In overall terms, nuclear energy plants cut

U.S. emissions of carbon dioxide by nine percent. Worldwide, nuclear energy reduced these emissions by more than seven percent.

A comprehensive strategy for nuclear energy is being developed as a part of the National Energy Strategy and is supported in the President's Fiscal Year 1992 budget. This strategy includes:

- Developing advanced light water reactors that will incorporate passive safety features in a standardized (modular) design. This will reduce the time needed to license new plants, while assuring that safety issues are adequately addressed. The U.S. is currently supporting first-of-a-kind engineering work that will assist companies in their efforts to have the Nuclear Regulatory Commission certify the safety of standardized designs.
- Conducting research and development on advanced reactor concepts with safety features that go beyond even the standardized designs ("to be intrinsically safe") currently before the Nuclear Regulatory Commission. High temperature gas cooled reactors use specially coated fuel elements that will not fail even under the high temperatures that could occur in an accident. Liquid metal reactors use liquid sodium as the heat exchange medium. Researchers have demonstrated that both reactor types can shut themselves down safely under conditions that would be extremely serious for present-day reactors.

- Reforming the nuclear licensing process through consolidation of the redundant aspects of the construction and operating licensing processes, without compromising nuclear safety concerns.
- Developing a long-term solution to the nuclear waste problem by developing a permanent repository, possibly an interim retrievable storage facility.

DOE is funding programs that are supporting growth in nuclear energy capacity and the life extension of many currently operating plants. According to analysis done for the National Energy Strategy, support from DOE is expected to result in adding new nuclear capacity by 2000 and to have On-line 264 GWe of new nuclear capacity, compared with 120 GWe today. Again, because nuclear power allows the nation to avoid the use of fossil fuels, such an expansion of nuclear use would result in yet a further substantial reduction in CO₂ emissions.

Increase transportation use of alternative fuels.

Use of oxygenated fuels, such as ethanol, can reduce urban smog levels, tropospheric ozone, and emissions of CO₂.

U.S. research has demonstrated the technical feasibility of the processes to produce ethanol from non-food domestic resources such as wood or herbaceous crops.

The U.S. will expand current research programs in alternative fuels to include cost-shared joint ventures aimed at reducing the cost of ethanol from non-food resource. This effort will be coordinated with industry vehicle and engine development programs.

ENERGY INITIATIVES: *Conservation and Renewable R&D*

The U.S. is funding a large research and development program for conservation and renewable energy. In Fiscal Year 1992 this effort is increased by 18 percent to a level of \$495 million.

In the long run, an adequate response to climate change will require the use of new technologies that conserve energy or that provide energy without causing greenhouse gas emissions. These technologies will be needed in all of the economy's sectors.

R&D for energy efficiency in transportation includes work on high temperature internal combustion engines, gas turbine engines, fuel cells and a new initiative for electric vehicles. Air transportation energy efficiency work includes research in hybrid laminar flow, composite materials, improved terminal operations, and improved air traffic control.

Alternative-fuel vehicle demonstration and a scale-up of a wood-to-ethanol process are being done. An initiative to address the problem of combustion emissions in waste-to-energy plants is being started.

Buildings energy efficiency research focuses on the interactions of energy systems, and the efficient use advanced window technologies and building materials to control light and heat entering a building.

Industrial energy efficiency R&D includes funding for more efficient steel, aluminum, and paper processes. A scale-up and test of the use of concentrated solar energy to detoxify liquid wastes will also be done.

The U.S. is proposing to initiate, in the fiscal year 1992 budget, a new joint auto industry—government consortium to develop a battery for electric vehicles. Improved batteries that could extend vehicle range to 120-200 miles could enable electric vehicles to capture as much as 20 percent of the market by 2030. Fuel-cell-powered electric vehicles offer the potential to achieve up to 50 percent efficiencies.

Total FY 1992 funding for research in new energy saving technologies is over \$900 million.

TRENDS: CO2 Emissions

U. S. emissions in 1988 were only 2.7 % above the 1973 level, despite the fact that real U. S. GDP, in 1985 dollars, grew by 48 percent over that period.

A key unanswered question about responding to the climate change issue is how to achieve economic growth in developing countries and economic reform in formerly centrally-planned countries without massive increases in greenhouse gas emissions.

Chart 22 compares the recent U. S. emissions trend with countries which contain most of the world's population, have trends of rapidly growing CO2 emissions, and are likely to have substantial emissions-generating economic growth in the coming decades.

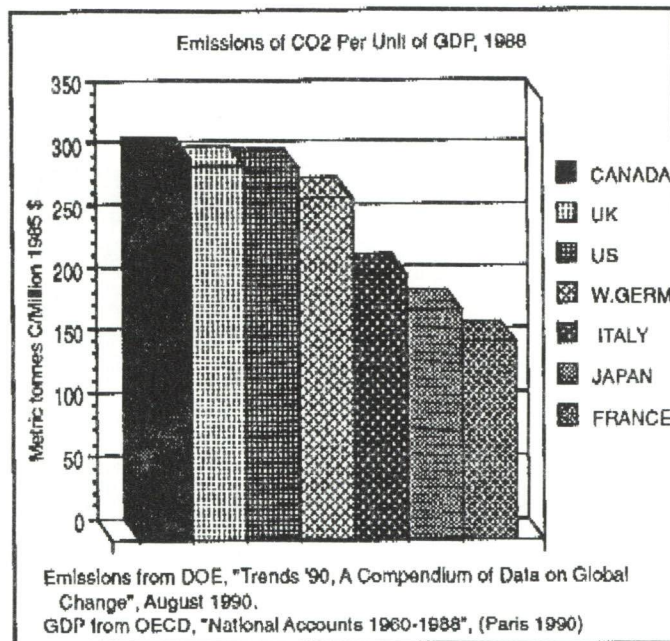


CHART 19

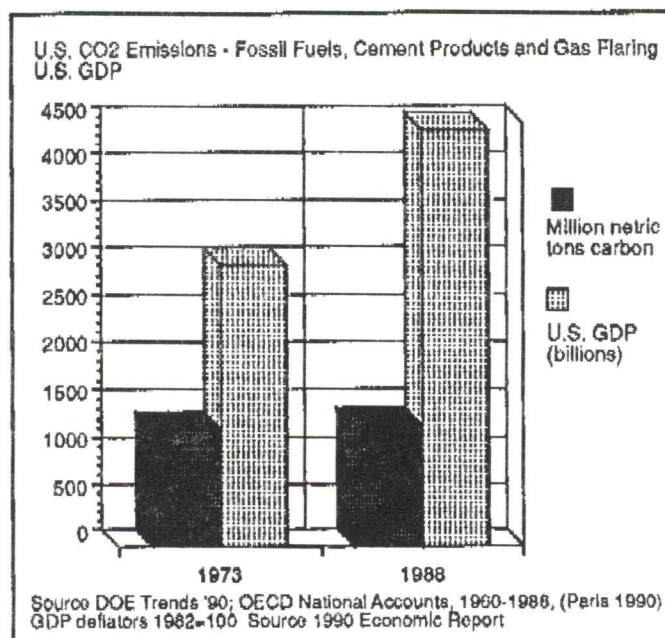


CHART 20

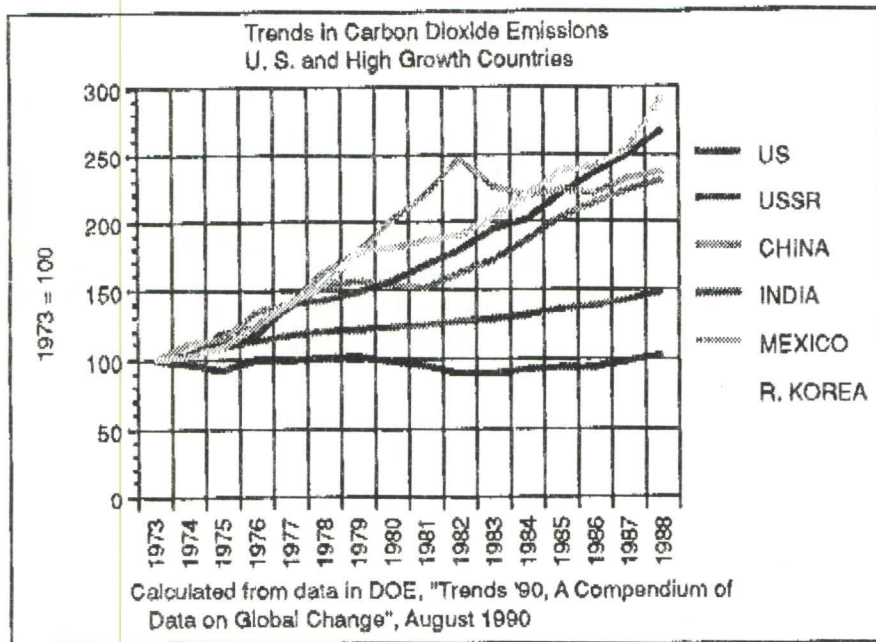


Chart 21 compares the U. S. trend to countries with substantial growth in emissions.

CHART 21

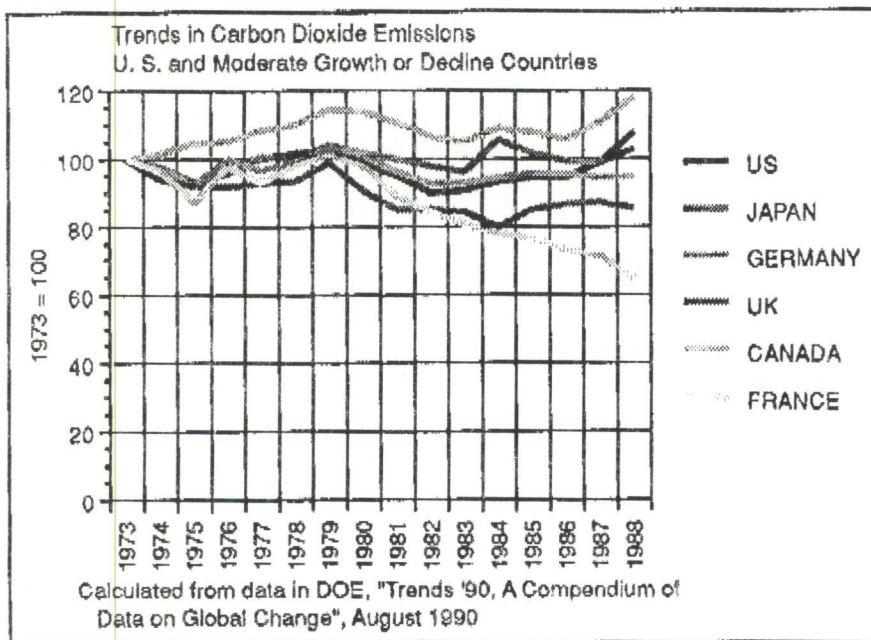


Chart 22 compares the U. S. trend to countries with moderate growth or decline in emissions.

CHART 22

TRENDS: Energy Intensity

Chart 23 compares United States energy consumption per unit of gross domestic product (GDP) with Canada, Japan, France, Italy, West Germany and the United Kingdom - the other G-7 countries.

However, as shown in Chart 24, the United States has improved its energy use/GDP ratio since 1970, averaging an annual improvement of 2 percent per year. In 1988 the U. S. used only 70.9 % as much energy per unit of GDP as it used in 1970.

The United States' rate of improvement in the industrial energy use/gross product originating (GPO) ratio has been greater than most other G-7 countries, averaging close to 3 percent per year since 1975 (Chart 24).

Since the early 1970s, the United States has improved its heating efficiency on an energy used per square foot per degree day basis. The U.S. used in 1987 only 68.4% of the energy used per square foot in 1972. Today, U.S. energy use in dwellings per square foot per degree day is much lower than most other G-7 countries.

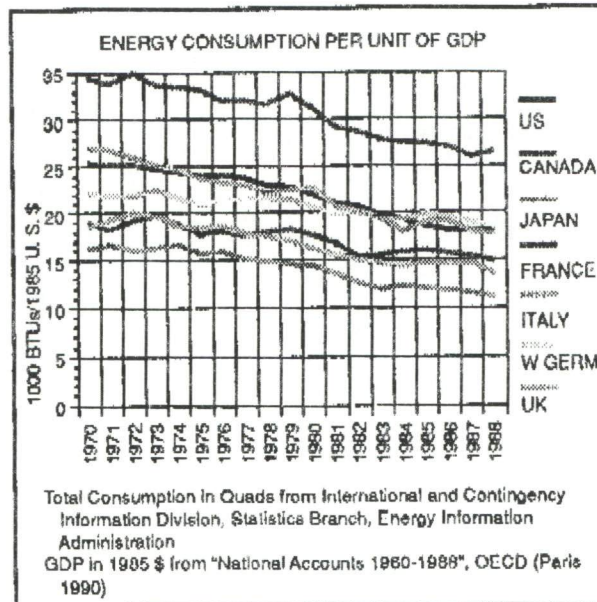


CHART 23

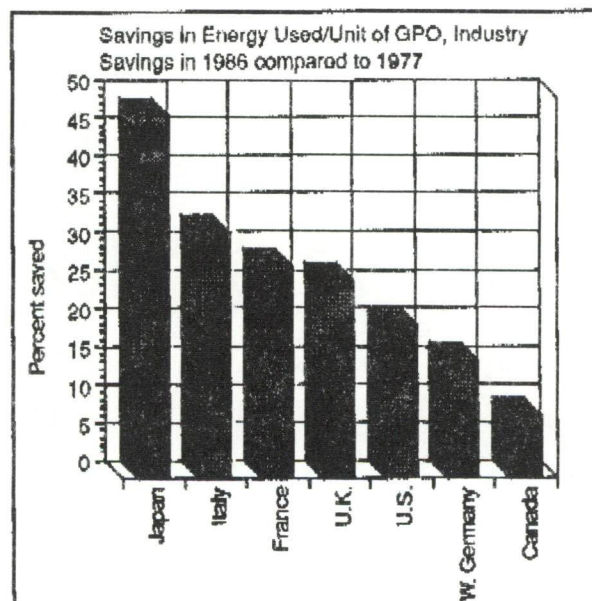
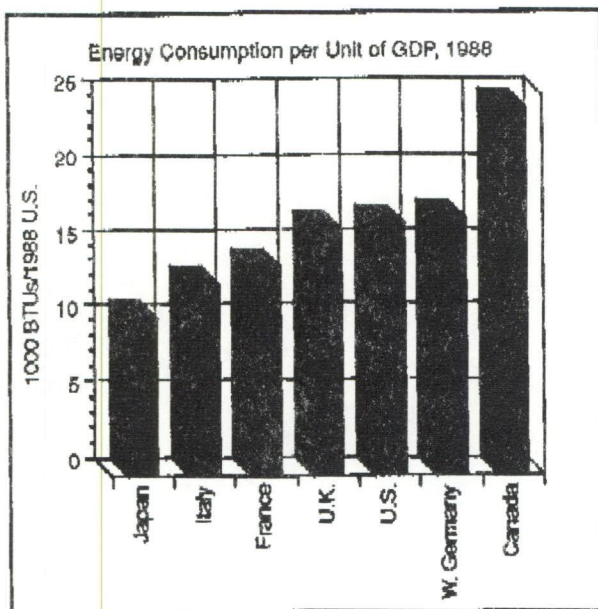


CHART 24

**CHART 25**

TRENDS: Transportation

Population density in the United States is 5 to 10 times less than in many of the other G-7 countries. With such a low density, the U. S. spatial spread between work and home often makes mass transit systems impractical. Distribution of economic activities across a wide continent requires substantial energy consumption for moving people and freight long distances. (chart 30) Transportation energy consumption per capita (Chart 24) is highest in the United States and Canada and substantially lower in the G-7 countries with high population densities.

New car fuel efficiencies in the United States are now roughly even with those of most of the other G-7 countries (Chart 25), despite much more demanding U. S. emissions and auto safety standards. The U. S. 1987 miles per gallon ratio was 28.3, within a relatively narrow range from Japan at 27.7 to the United Kingdom at 31.8. The U. S. from 1973 to 1987 increased its new car fuel economy by 100 percent. (chart 26)

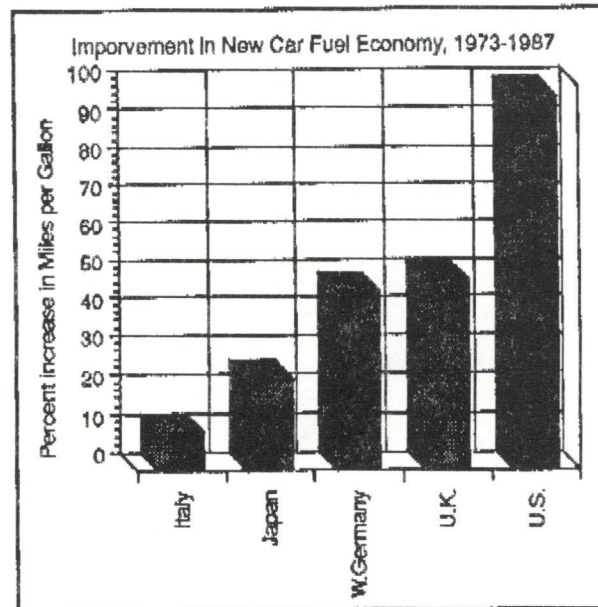
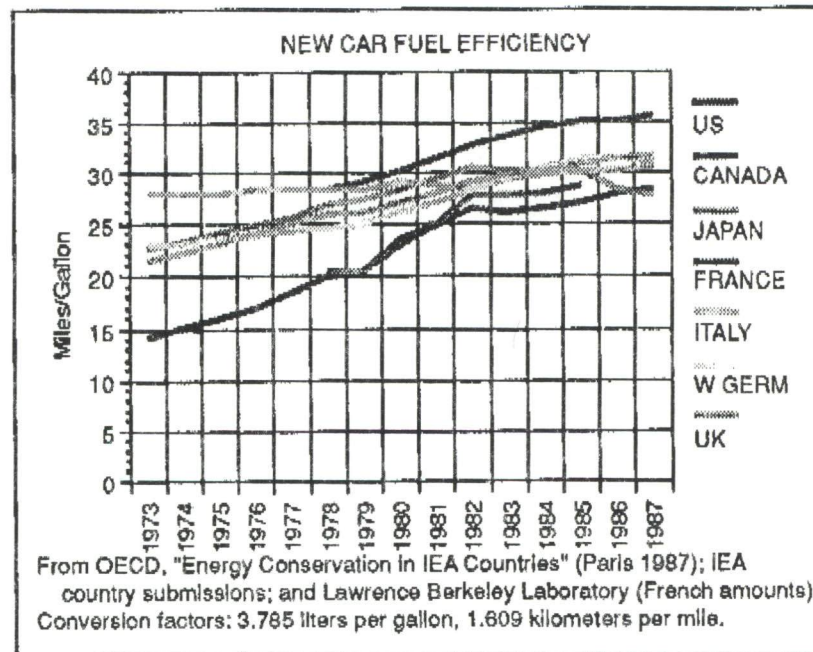
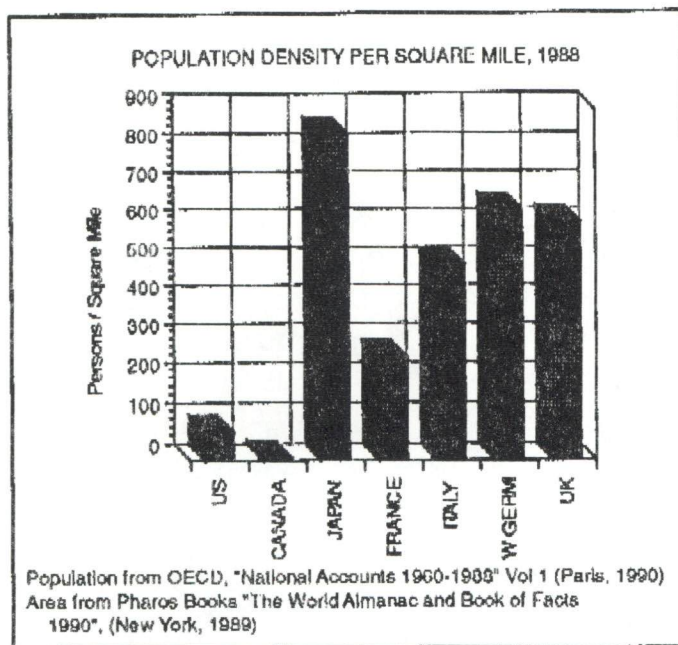


CHART 28

CHART 29



**CHART 30**

TRENDS: Pollution Expenditures

United States' declines in emissions of volatile organic compounds, carbon monoxide, CFCs, and, to some degree, the stabilization of carbon dioxide emissions over the period from the early 1970s to the present can be attributed to U. S. investment to protect and to clean up the environment. U. S. spending for all pollution control purposes over the period is shown in Chart 17. It has grown by 100 percent from 1972 to 1989.

U. S. pollution control spending has historically been larger compared to the country's Gross Domestic Product than spending by other countries for which data is available. Chart 18 shows pollution control spending as a percentage of Gross Domestic Product.

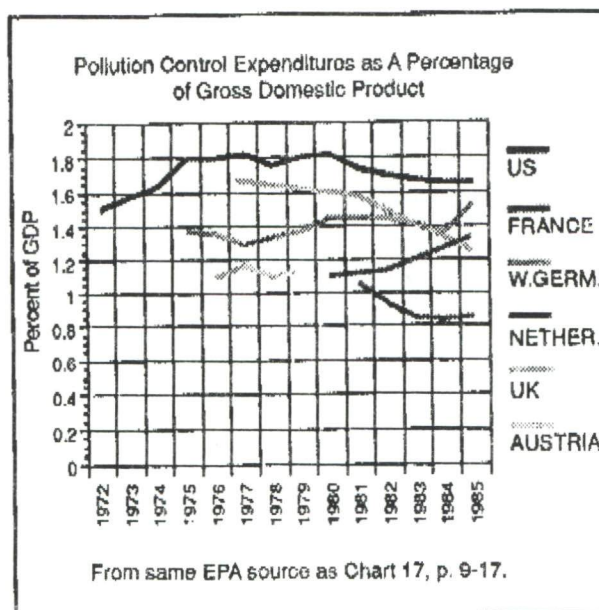


CHART 32

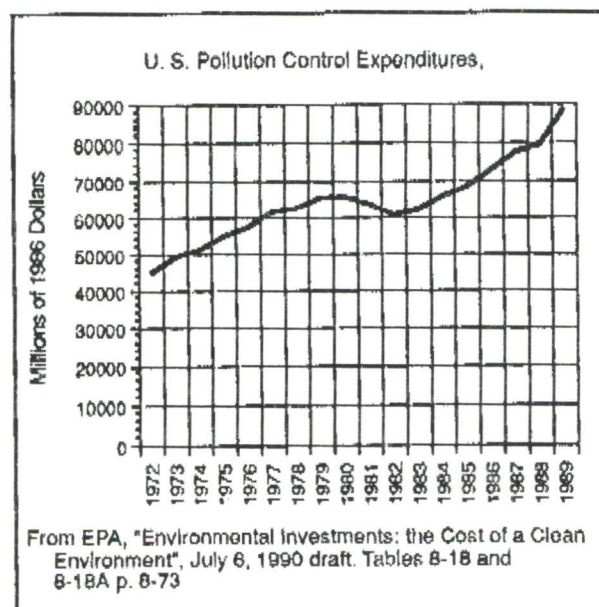


CHART 33

GLOBAL CHANGE RESEARCH

The Intergovernmental Panel on Climate Change (IPCC) stated that, "To reduce the current scientific uncertainties in each of these areas (as listed below) will require internationally coordinated research, the goal of which is to improve our capability to observe, model, and understand the global climate system. Such a program of research will reduce scientific uncertainties and assist in the formulation of sound national and international response strategies".

The U.S. Global Change Research Program (US/GCRP) has been developed as a central component of the United State's approach to global change, and more specifically to address these IPCC identified uncertainties.

In FY 1992, the U.S. plans to invest almost \$1.2 billion in this Program, which virtually doubles the U.S. commitment to the research program of the US/GCRP since it was initiated in FY 1990 (see chart below).

U.S. scientists have lead the development of an international global change research program. Other countries have joined the U.S. in a coordinated research effort to address critical scientific uncertainties, through such international programs as the World Climate Research Programme ((WCRP) and the International Geosphere-Biosphere Programme (IGBP). The total international research program, for which the U.S. provides about 50% of the financial support, is coordinated through United Nations scientific bodies (i.e., WMO,

IOC, and UNEP), through the International Council of Scientific Unions (ICSU), and through the recently established International Group of Funding Agencies for Global Change Research (IGFA).

The central task of the US/GCRP is to develop predictive understanding of the Earth's system's processes, particularly the climate aspects. It is the intent of the US/GCRP to provide leaders of government with the best possible scientific information as inputs to environmental policy decisions.

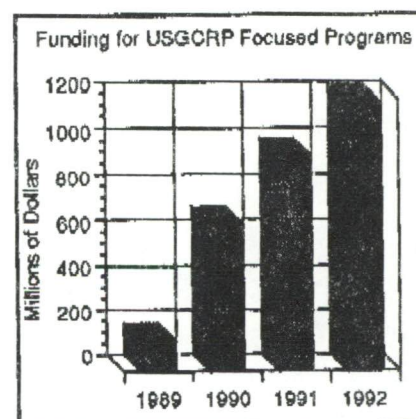
The highest priorities for the US/GCRP in FY 1992 are to:

1. Enhance scientific research efforts that seek to *reduce the scientific uncertainties* identified during the IPCC scientific and impact assessments. Specifically, the USGCRP research will focus on understanding the processes affecting:
 - *changing concentrations of greenhouse gases*, which are implicated in future global warming predictions;
 - *clouds and radiative balance*, which strongly influence the magnitude of climate change at global and regional scales;
 - *oceans*, which influence the timing and patterns of climate change;
 - *land-surface hydrology*, which affects regional climate change and water availability;
 - *polar ice sheets*, which affect predictions of global sea level changes; and
 - *ecological dynamics*, which are impacted by and respond to climate change.

2. Enhance scientific research to support the development and implementation of a *comprehensive approach* to greenhouse gas emissions reductions, specifically a focus on:

- *sources and sinks of greenhouse gases*;
- *development of a quantitative index of radiative forcing*; and
- *use of economic models to generate future scenarios* that cover multiple greenhouse gases and multiple sectors.

The ultimate goals of the US/GCRP are to (1) Obtain a predictive understanding of the interactive physical, chemical, biological, geological, and social processes that regulate natural and human-induced changes in the total Earth system and, (2) Provide a strong scientific basis for national and international policy-making related to changes in the global environment and their regional impacts.



Master Graphic Illustrating the
US/GCRP

THE WHITE HOUSE

WASHINGTON

January 23, 1991

MEMORANDUM FOR GOVERNOR SUNUNU

FROM: D. ALLAN BROMLEY
EDE HOLIDAY

SUBJECT: Climate Change Framework Convention Meeting at
9:30 Wednesday morning

A meeting has been scheduled for Wednesday, January 23 at 9:30 A.M. in your office to obtain your approval, in concept, of the DPC paper on Global Climate Change and a brochure highlighting the environmental achievements of the Bush Administration. If you approve, we will distribute these papers to members of the DPC for their written comments and clearance.

Thereafter, we suggest that you meet with a group of advisers on Friday to give final approval to the strategy for the Framework Convention, to approve the final draft of the accomplishments brochure and to consider the more sensitive strategic questions raised by the upcoming negotiations -- questions we did not think it prudent to raise in the DPC paper, such as:

- o Will publishing a brochure highlighting U.S. accomplishments towards stabilizing emissions of greenhouse gases actually undercut the Administration's position that there is insufficient scientific and economic evidence to justify negotiations over targets and timetables?
- o What would have to change in the science, economics or politics of global climate change to warrant reconsidering our opposition to some form of targets and timetables?
- o If the U.S. ultimately acquiesces to some regime of targets and timetables, when should the Administration make this concession -- and how should it be portrayed?
- o What should the U.S. do if other countries do not support the comprehensive approach or if other countries support the comprehensive approach without granting any credit to the U.S. for phasing out CFCs under the Montreal protocol?
- o Should the President address the opening session of the climate change negotiations either in person or by video tape?

2

Participants in this morning's meeting will include Dick Darman, Boyden Gray, Roger Porter, Michael Deland, Bob Grady, Ken Yale, Teresa Gorman and Richard Porter. Bob Grady took the initiative to prepare the draft U.S. accomplishments brochure, with the assistance of OSTP and other agencies.

THE WHITE HOUSE
WASHINGTON

January 24, 1991

MEMORANDUM FOR GOVERNOR SUNUNU

FROM: D. ALLAN BROMLEY
BOB GRADY

SUBJECT: Update on First Session of Framework Convention
Negotiations

A number of issues were raised yesterday at the meeting on global change in your office. Afterwards, some of our White House group met with Bob Reinstein, Chief Negotiator for the upcoming sessions on the Framework Convention. We asked exactly what could be expected in the upcoming negotiations and a brief description of the first session, beginning February 4. Following is an outline of that discussion.

I. The key objective of the first negotiating session

The main objective of this session is to determine the structure and organization of the negotiations that will take place for the next eighteen months. In addition, the negotiators will develop a bracketed negotiating text. All countries can lay on the table any language they wish to see in a Convention. This does not preclude additions and changes during the next 18 months. No negotiating of this language is expected to be undertaken at this first session.

II. Sponsors of the Meeting

The UN Secretariat will run the first session only. Future sessions will be run by a Chairman to be elected at the first session and operated from a UN Secretariat office in Geneva (Staffed by UNEP and WMO).

III. Anticipated Order of Business at First Session

1. Welcoming Remarks - possibly by UN Secretary General
(and whatever President Bush wishes)
2. Opening of Meeting - remarks by
 - o WMO Sec-Gen Obasi
 - o UNEP Ex-Dir Tolba
3. Adoption of Agenda

4. Adoption of Rules of Procedure

- o Secretariat will have proposed set of rules
(It is expected that UNGA Rules of Procedure will be proposed)
- o This will be given to group if lawyers to work out - U.S. interests will be represented in this group by a State Dept. lawyer

5. Election of Chair

- o Chair is expected to be Mr. Jean Ripert, France
(US is supportive of this)

6. Election of Bureau

- o Two options expected:
 - a. Group of 5
 - o Required that it be geographically representative of UN Regions so o.k. if US not on it - interests will be represented
 - o Would consist of: 1 Chair, 3 Vice Chairs, 1 Rapporteur
 - b. Larger Group
 - o If expanded, would probably consist of at least 18 members and US would insist on being member

7. Statements by Governments (2 days set aside)

- o Supposed to be brief (10 minutes) - may contain country views of what should be in as possible elements of a Framework Convention
- o May draw from IPCC Legal Measures Paper

8. Establishment of Subgroups - to develop the bracketed negotiating text

US suggesting the following groups:
(more than 4 will create problems for interpretation/translation)

(1) Legal drafting group

- o to actually develop the bracketed negotiating text

(US view: this committee should not draft the text; rather, it should receive substantive inputs from Plenary and Subgroups (listed below) and take care of formal and legal niceties

- (2) Scientific and economic research and monitoring including cooperation and information exchange, technology research and information exchange, and assessments of climate change

- (3) Greenhouse gases, their sources and sinks, including net emissions inventories, forecasting, and monitoring as well as forestry issues
- (4) Implementation issues such as emissions trading, technology development and transfer, public education, financial assistance, and incentives for cooperation such as research centers or joint technology ventures, etc.
- (5) Adaptation (tentative) may be set up as separate subgroup or as part of one of another subgroup. It is of particular interest to island and low-lying countries. May be similar support for mitigation or limitation subgroup.

US Groundwork Prior to Negotiations

Over the past year, the Department of State (Robert Reinstein, DOE/OES, etc.) and other U.S. representatives - through a large number of personal contacts, meetings, international conferences, and cables - have been laying the groundwork to gain support for U.S. positions on all relevant issues with both like-minded countries as well as with countries with differing views.

In addition, cables have been sent to our own embassies in all appropriate countries to gather information on what we may expect from other countries at the Framework Convention. (Tab A) Responses to those cables are just now coming in and will be compiled and summarized for our review.

A second intensive effort by the Agency has produced considerable intelligence regarding probable positions by other countries on all relevant issues. A very useful list of other countries' positions on targets and timetables, recently produced by the Agency, is attached for reference. (Tab B)

We will continue to keep you updated as we get closer to the beginning of the negotiations. I will be providing you with a summary of country responses to the above cables as soon as we have substantial information available. I anticipate that we will have a first summary available by the end of this week.

attachments

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF SCIENCE AND TECHNOLOGY POLICY
WASHINGTON, D.C. 20506

January 29, 1991

MEMORANDUM FOR KEN YALE

FROM: NANCY MAYNARD

SUBJECT: Analysis of Proposed Senate Resolution

As requested, the following is a quick analysis of the proposed Senate Resolution on leadership position by the U.S. at the Framework Convention.

1. Whereas #2: "radioactive" should be "radiative"
2. Whereas #5: change "would" to "could" to be correct
3. Whereas #7: calls for a "convention on", not "treaty to limit"
4. Whereas #11: not Great Britain (2005)
5. Whereas #13: not proven; if text were changed as follows: (1) "a large" to "some" and (2) "CO2" to "greenhouse gases", would be correct
6. Whereas #14: add "and other greenhouse gases" after CO2

see attached

THE WHITE HOUSE
WASHINGTON

January 29, 1991

MEMORANDUM FOR GOVERNOR SUNUNU

FROM: D. ALLAN BROMLEY *Adm.*
SUBJECT: SUGGESTED LETTER FOR PRESIDENT TO
HEADS OF DELEGATION
FEBRUARY 4, NEGOTIATING SESSION

In our discussion group we have concluded that the difficulties associated with a video message from the President to this group are such that we would recommend against it. We have also agreed that it might be more appropriate were the President to address a letter to the Heads of Delegations rather than the Heads of State. Only 2 ministers, at present count, will be present--Goldemberg from Brazil and someone from a small African nation.

I enclose herewith a draft of a possible letter from the President to the Heads of Delegations.

I have talked with Dick Truly and Lennard Fisk at NASA and they are entirely agreeable to having Bob Watson act as our monitor on the Framework negotiations. Now all I need is approval of a mechanism that can bring him to OSTP through June 30, 1992 while remaining on NASA staff and payroll. I need your help!

Hope your flu is improving!

Enclosure

ONE HUNDRED FIRST CONGRESS
SECOND SESSION

DOUG WALSHEN PENNSYLVANIA CHAIRMAN

HENRY A. WAXMAN CALIFORNIA
 PHILIP A. SCHAFF MOHAWK
 M. SLATTERY KANSAS
 LARRY S. GORSE MINNESOTA
 JIM BATES CALIFORNIA
 RICK BOUCHER VIRGINIA
 GARY D. ORRILL MICHIGAN
 IS OFFICE

DON RITTER PENNSYLVANIA
 WILLIAM J. DANHEIMER CALIFORNIA
 HOWARD C. NELSON UTAH
 JOE BARTON TEXAS
 NORMAN A. LINT NEW YORK
 IS OFFICE

HOUSE OF REPRESENTATIVES
 HOUSE OFFICE BUILDING JENNIFER NO. 1
 PHONE (202) 555-3160
 DAVE HANLEY
 CHIEF COUNSEL AND STAFF DIRECTOR

U.S. House of Representatives
Committee on Energy and Commerce

SUBCOMMITTEE ON COMMERCE,
 CONSUMER PROTECTION, AND COMPETITIVENESS

Washington, DC 20515

Telefax Transmittal Cover

SUBCOMMITTEE ON COMMERCE, CONSUMER
 PROTECTION, AND COMPETITIVENESS

H2-151, HOB House Annex II

3rd & D Streets, S.W.

Washington, D.C. 20515

FAX 202-226-7886

Office 202-226-3160

TO:

Dr. Kenneth Yale

FROM:

Bruce Gwinn

Re:

Dr. Bromley / Testifying on Exxon-Florio-
Moore Case

DATE:

2/1 overnight on Exxon Florio

PAGES FOLLOWING:

4

romean doc

PAGE 69

9TH STORY of Level 1 printed in FULL format.

Copyright (c) 1990 The Bureau of National Affairs, Inc.;
Daily Report For Executives

November 9, 1990, Friday

SECTION: REGULATION, ECONOMICS AND LAW; DER No. 218; PG. A-13

LENGTH: 421 words

HEADLINE: Foreign Investment, BUSH SCIENCE ADVISER URGES TOUGHER TEST FOR
FOREIGN ACQUISITIONS OF U.S. FIRMS

BODY:

President Bush's science adviser D. Allan Bromley Nov. 8 said a broader legal standard should be applied to the judgment of whether acquisition of U.S. firms by foreigners endangers the national security.

The current law, known as the Exon-Florio provision, is too narrow and forces the administration to examine potential sales "in isolation," Bromley told a meeting of the President's Council of Advisors on Science and Technology.

Bromley, director of the White House Office of Science and Technology Policy, said the current legal standard fails to consider the possibility that "a coherent purchasing program" organized by another nation could over time "nibble away" at U.S. control of strategic technologies. The analysis of particular transactions is handled by an interagency group, the U.S. Committee on Foreign Investment in the United States (CFIUS).

Similar criticisms about the scope of CFIUS reviews were presented June 13 during testimony before a House Energy and Commerce subcommittee hearing by Allan Mendelowitz, a top General Accounting Office official, and by Clyde Prestowitz, a former senior Commerce Department official.

Bromley's comments came as the advisory group heard about a congressionally-mandated effort now being carried out within the administration to create a new list of "critical technologies." The report is due Dec. 30.

The presidential science adviser also announced that the administration has "reactivated" the Critical Materials Council, a body he will chair, with the other members being Deputy Secretary of Energy Henson Moore and Bureau of Mines Director T. S. Ary. The council never went out of existence, but Bromley is giving it new emphasis, according to an OSTP staffer.

The council also received a 13-page report entitled "U.S. Technology Policy," which Bromley said was approved throughout the administration as "a quite realistic statement of where we are at the moment. Noting that the report received the support of Michael Boskin, chairman of the president's Council of Economic Advisers, Bromley told council members that contrary to some media reports, the administration is not divided on the extent to which the government should assist industry in technological development.

The council closed its meeting to the public for the afternoon of Nov. 8, at which it was scheduled to hear a report on the "technology policies of other nations" that a council spokesman said included classified information.

H.R. 5225

Tech base and
econ welfare issues

Brady - veto recommend

Who Will Build America's Nuclear Arms?

Washington Post
1/13/91 p.C1

*The Sale of a Key Supplier
Means It May Not Be Americans*

By Kevin L. Kearns

FOREIGN TAKEOVERS of America's entertainment giants are arguably benign, but you'd think that someone would draw the line at a company involved in our nuclear weapons program. Unfortunately, you'd be wrong. Just such a takeover is imminent, and the hands-off attitude being adopted in Washington illustrates graphically the nation's abysmal lack of a sensible policy on foreign buyouts of U.S. businesses.

The acquisition target is Moore Special Tool Company, of Bridgeport, Conn., the world's best maker of ultra-precise machine tools, and one of America's industrial crown jewels. The prospective buyer is Fanuc, a major Japanese player in the machine tool field. Moore is the only U.S. supplier of high-precision machine tools that can meet Department of Energy needs. The components fabricated with these tools directly affect critical variables such as the explosive force of a nuclear weapon and the risk of accidental detonation.



PETER HOEV—THE WASHINGTON POST

The United States will now be totally dependent on foreign machines (German, Swiss and Japanese) for the most sensitive operations in maintaining the arsenal that has anchored its defense for almost 50 years. A double irony is that the most precise tools (from

See TAKEOVER, C2, Col. 1

Kevin Kearns, a former State Department official, is a fellow at the Economic Strategy Institute.

Building Our Nukes

TAKEOVER, From C1

Moore) would be provided by Fanuc, whose home country has forsworn nuclear weapons as a matter of principle.

How did we wind up in such a fix? In general, it's the fault of the business environment in which U.S. companies operate. Our cost of capital is too high, partly as a result of government borrowing; our tax laws penalize investment and reward consumption; our piecemeal regulatory structure is insensitive to effects on international competitiveness. Moore also has specific problems of its own. The company has worked for the U.S. government on projects that were neither profitable nor applicable elsewhere. As a niche-market producer, Moore must depend on exports (more than 50 percent of sales) to generate enough volume to stay profitable. But because of the strategic value of Moore's machines, the Departments of Defense and Energy have blocked or delayed approval of key overseas sales.

Even so, the existence of alternative foreign suppliers has frustrated U.S. export

control. Foreign customers, aware of Moore's problems in getting export licenses, have often settled for second-best, but still satisfactory, products from other sources. The net result: Sales and profits dwindle for Moore but worrisome technology continues to spread as foreign competitors supported by their governments rush to fill the gap.

Concern that the machines might be misused or fall into the wrong foreign hands is valid, but the application of our export control laws often serves neither national security nor business interests. Ultimately, we can only influence the flows of technologies if we are a technology leader. If our companies are put out of business or sold to foreign concerns, then we have little leverage over the actions of others.

The lack of a coherent national economic strategy, where business decisions, government procurement, export control, anti-trust and tax policy are all linked, has produced this situation.

Washington's mechanism for reviewing sales of U.S. companies to foreign entities is CFIUS, the interagency Committee on Foreign Investment in the U.S. The committee's guidelines, known as the Exon-Florio

provisions, say that the acquiring company must be shown to pose a national security risk for a sale to be denied. But how should national security be defined? Is it military security only or should it encompass economic security as well?

To date CFIUS has chosen to define security only in narrow military terms. Of some 480 takeovers reviewed, the process has blocked only one sale—to a company owned by the Chinese government. A bill to make economic security an explicit criterion in the decision-making process failed to pass in the last Congress. Indeed, Congress failed to renew the entire Defense Production Act, of which Exon-Florio is a part. As a result, the world's greatest economy currently has no guidelines whatsoever on foreign takeovers.

Operating in a legal vacuum, CFIUS last week voted informally to recommend that the president approve the sale of Moore to Fanuc. Although many CFIUS agencies were uneasy, none was courageous enough to recommend denial. But if ever there was a clear national security case, even according to the narrow definition, the Moore case is it. What could be more deeply involved in national security than the machines that produce the nation's nuclear arsenal?

The United States has a long history of controlling exports for political reasons. What if the Japanese, Germans or Swiss decide not to sell to or service the DOE's nuclear program?

After all, Switzerland is a neutral. Germany does not possess nuclear weapons and has a large, politically active anti-nuclear movement, and sensitivity to things nuclear is integral to modern Japan. Can we rely on these governments never to respond to political considerations and to continue to sell to DOE? The grudging cooperation we have received from Germany and Japan in the Persian Gulf crisis, as well as the stalled GATT negotiations, demonstrates vividly that these countries often do not view their respective national interests as coincident with ours, even on critical issues.

Further, will these countries tightly control the technologies involved and keep them out of the hands of the Saddam Husseins of the world? German companies have been heavily involved in the Iraqi chemical, missile and nuclear-weapons programs. The Arab blacklist for years has influenced Japan's relations with Israel, and Japanese companies have sold restricted technologies—the most famous case being Toshiba Machine's sales of nuclear submarine propeller-quieting technology to the Soviets.

Moore's plight is far from unique. Another current CFIUS case, for example, is also mired in policy confusion: the sale of SemiGas Systems to its Japanese competitor, Nippon Sanso. SemiGas is the key supplier of specialized gas cabinets to Sematech, the government-business consortium established to help our computer chip industry become competitive again. Although the Japanese would stand

to gain valuable insight into the technology of their U.S. competitors by acquiring SemiGas, CFIUS approved the sale in August. But last week, the Department of Justice, which did not object in the CFIUS process, announced it would go into court to block the sale on anti-trust grounds.

With respect to the impending sale of Moore, ordinarily, the president would have 15 days to act on the case. But the national rules have lapsed thanks to Congress's inaction. Moreover, the president has plenty on his plate currently. Yet critical cases like Moore cannot be allowed to slide through even when the White House is caught up in an immediate crisis. A way must be found to keep Moore and companies like it in U.S. hands and to help them to prosper.

The problem is that such measures would look like "industrial policy"—a taboo to some key White House economic policy makers. Yet export controls, which they accept, are also a form of industrial policy. Such controls certainly hurt Moore financially. The real problem is not that we might wander into industrial policy but that we already have too many industrial policies, too many uncoordinated laws and regulations that sandbag our companies in their competition with foreign rivals.

We desperately need a more strategic approach to our national economy. Decisions to block the Moore sale and fully support the Justice Department's suit against the SemiGas acquisition are the places to start.

Feb 26 Thursday

S. 348

overnight hearing on Clean Air Act

committee on C-IVS and what it is doing

impact on industry given more consideration

extension of Clean Air Act coming up.

effect of

whether it is being adequately implemented

other considerations need to be taken into consideration.
Factors.

CAD study

Summary of Framework Convention Activities - 1
4-7 February 1991

I. Monday, 4 February, 1991 - Morning

- o Opening of Session - Antoine Blanca, UN Secretary General for Development and International Economic Cooperation
- o Welcome from Host Country - Michael Deland, CEQ, USA
- o Address:
 - Mostofa Tolba, Exec. Dir. UNEP
 - G.O.P. Obasi, Secretary-General WMO
- o Election of Bureau
 - Election of Chairman - Jean Ripert, France
 - Discussion of Composition of Bureau
 - Including some discussion of increase in size of Bureau

II. Monday, 4 February, 1991 - Afternoon

- o Deferred discussion of expansion of Bureau to later date
- o Election of Bureau
 - o 4 Vice Chairs (representing UN Geographic groups)
 1. Asian Group = P. Menon, India
 2. Latin American/Caribbean Group = Raul Oyeula, Argentina
 3. Africa = A. Jolaff, Algeria
 4. Eastern Europe = I. Draghici, Romania (also serve as rapporteur)
 - (#5 of Bureau = Chair, J. Ripert, Western European and Other Groups [WEOG])
- o Continued some discussion of Bureau expansion (to be continued later)

III. Tuesday, 5 February, 1991 - all day

- o Country Statements

IV. Wednesday, 6 February, 1991 - all day

- o Country Statements

V. Thursday, 7 February, 1991 - Morning

- o Country Statements
- o Discussion about rules of procedure (no resolution)

Issues/Observations - as of February 7, 1991

1. Developing country participation.

Developing country participation is low. Many developing countries did not come to this conference because the UN decided to only fund their airline tickets (on a pay first, refund later basis) but no per diem. Therefore, many could not afford to come.

This is, of course, disturbing to the US and others because the U.S. and several other developed countries had contributed considerable funds for LDC travel through the UN trust fund. They are working to fix this for future meetings.

2. Subgroups - still under discussion:

a. Financial and tech transfer to LDCs

There is considerable pressure for a separate working group to deal with additional financial and technological transfers to developing countries.

On the other side of this, there are countries who would like to see the issues of financial and tech transfer for LDC's handled as part of all subgroups formed (seen as a cross-cutting issue).

b. Sources and sinks.

EC and several others have proposed that there be 2 separate working groups: one on sources and one on sinks.

Those lining up on the side of one group dealing with sources and sinks are US, USSR, Brazil, Japan, and others.

** An interesting twist to this one is a proposal by Mexico today that there only be only one big group (total) plus a legal drafting group. This has several advantages: eliminates the problem of 2 separate groups on sources and sinks; postpones possible action on protocols; slows things down by all discussions in what amounts to Plenary

3. Text for bracketing

There have been a number of questions about how to produce the text for this first session. Some countries would like to develop text in the Plenary; others, in the legal drafting group. Several countries have presented text as possible strawman: the UK, EC. and it is rumored that Mexico and Brazil have produced a text. This discussion will take some time.

The US has prepared a text (interagency cleared) for the science annex. This appears not to be controversial.

4. EC and Comprehensive Approach

Note: It appears that the EC is now rather interested in pursuing the comprehensive approach in the long-term and is talking with members of our delegation on the technical details. At the same time, of course, they are continuing to talk with us about how to deal with CO2 in the short term.

5. Seminar on Comprehensive Approach - Friday night

On Friday night (6 p.m.), there will be an informal seminar at the meeting place on the Comprehensive Approach with short talks by Boyden Gray, Dick Stewart, Dick Schmalensee, Bob Watson, Dan Albritton, and others. It is an educational type seminar to help explain the comprehensive approach with time for Q & A's.

6. NGOs as participating delegates - an issue

As part of the rules of procedure discussion, the level participation by NGOs is an issue. The LDCs, in particular, evidently do not want them as full participants in the subgroups. (The NGOs will be pushing hard for things the LDCs will have a hard time achieving) According to some rules, the NGOs could be in the sub group meetings and speak only if called upon by chair.

This discussion is now on-going.

7. Business and Industry Organizations offer to help LDCs

Yesterday, John Shlaes (Global Climate Coalition - a very active industry NGO group) made a statement offering to help (LDCs especially) with technology, expertise, implementation, etc. They have been supportive to the Administration in the conservative approach, of course. This offer of partnership to LDCs is a constructive step, I think, on the technology/expertise issue for moving that issue forward.

The U.S. and Global Change - Approach to the Framework Convention Negotiations

o The U.S. is prepared to take to the first negotiating sessions of the Framework Convention on Climate Change an innovative approach to the climate change issue - the "Comprehensive Approach"

- . Moves the climate change issue from the narrow focus on one gas (CO₂ - which primarily results from the energy and transportation sectors)

- . All gases are treated on an equal footing based on a scientifically determined "greenhouse potential index" which takes into account not only their intrinsic molecular greenhouse efficiency but also their average residence time in the atmosphere and other considerations.

- . Scientifically more valid approach because considers all of the significant human-influenced trace gases that effect climate

- . Also considers "sinks" of greenhouse gases which are key part of solution to increases in atmospheric concentrations of greenhouse gases

- . Allows countries more flexibility in policy responses to reducing greenhouse gas emissions

- . Recognizes that Third World Countries with their methane and other emissions are also significant contributors to the greenhouse problem

- . Will make possible a market approach in greenhouse situation at minimum cost

- . Avoids the potential problems associated with developing separate protocols for each greenhouse gas

o Accomplishments which this Administration has achieved through actions pursued because they had merit in their own right (e.g., the Clean Air Act, phasing out CFC's, the tree initiative, etc) are unmatched by any other country.

o Two recent studies have shown that current policy commitments will result in greenhouse gas emissions in the year 2000 being less than or equal to 1987 emissions.

o The actions (general list) which the U.S. is implementing to achieve a variety of non-climate benefits, which have resulted in stabilization of greenhouse gas emissions at the 1987 level include the following:

- o elimination of stratospheric ozone depleting compounds which are also strong greenhouse gases
- o increase of forest greenhouse gas sinks
- o direct control of various greenhouse gases and their precursors which are also air pollutants
- o regulation of utilities and other air pollutant sources so as to strongly encourage energy efficiency
- o promotion of energy efficiency by wide range of other actions
- o increase the use of renewable sources of energy

o Other actions which should be on the list of accomplishments of the U.S. regarding the greenhouse issue:

- o The U.S. is also carrying out the world's largest program of R&D
 - o To increase our understanding of the science and economics of climate change for sounder knowledge base for making policy decisions
 - o To develop and to accelerate the adoption of economically sound and environmentally benign technologies which will be essential if massive increases in GHG emissions from world economic growth are to be avoided
- o The US has strong energy efficiency incentives to build on past U.S. energy efficiency performance which compare well with that of other industrial countries
- o The U.S. has essentially stabilized its emissions of CO₂ over the last 15 years despite a growth in economic output of about 50%. Most other countries have increased their CO₂ emissions over this period, many substantially
- o The U.S. has reduced its emissions of several other greenhouse gases over the last 15-20 years
 - o Chlorofluorocarbon (CFC) emissions were substantially reduced, grew somewhat as certain uses grew, and are now being reduced toward zero
 - o Carbon monoxide (CO) and volatile organic compounds (VOCs) were reduced substantially

o Current U.S. actions (taken for other reasons) which will contribute to restricting greenhouse gas emissions in the year 2000 by 1987 levels consist of:

o phasing out CFC's and other ozone-depleting compounds which are also greenhouse gases

o Encouraging energy efficiency strongly, and thereby reducing greenhouse gas emissions, by putting a permanent ceiling on sulphur dioxide emissions and giving utilities the flexibility to make reductions by energy saving measures under the recently enacted Clean Air Act Amendments

o Reducing, under the Clean Air Act, air pollutants which are either greenhouse gases themselves (carbon monoxide and nitrogen oxides) or greenhouse gas precursors (volatile organic compounds and nitrogen oxides)

o Initiating a program to plant a billion trees a year on 1.5 million acres and to make other forest improvements

o Implementing a number of programs aimed directly at speeding the adoption of energy efficient technologies and practices

o taking actions to increase the use of non-fossil fuel energy sources, such as hydropower, photovoltaics, and biofuels

o Energy Efficiency Initiatives - more efficient lighting in Federal facilities

o More efficient lighting in commercial buildings

o Promote State efforts to institute utility integrated resource planning for end use energy efficiency

o Encourage State and local governments to adopt DOE interim building standards

o Expand the Energy Analysis and Diagnostic Center Program to increase energy audits

o Use of DOE building standards by HUD in public housing assistance program

o Renewable Energy Initiatives

o Expand hydropower capacity

o Accelerate the transfer of photovoltaic technology to US commercial production

o Increase use of biofuels for transportation

- o U.S. R & D Efforts

- o US Global Change Research Program (USGCRP)

- o In FY 90, US spent \$659.3 million for global change research to improve the knowledge base, especially about climate

- o In FY 91, US nearly doubled spending (45%) to \$954 million

- o Non-Fossil Fuel R & D

- o solar and renewable energy program is a major commitment to exploiting the energy supply potential of photovoltaics, biofuels, energy from municipal solid wastes, low and moderate temperature solar thermal, and wind energy technologies

- o other renewables research includes geothermal research and efforts to resolve institutional and regulatory impediments to hydropower development

- o Nuclear fission programs research in institutional/regulatory reform and the development of advanced modular, "intrinsically safe" reactor design

- o Nuclear enhanced fusion program to establish the scientific and technological based required for fusion energy

- o Clean Coal Technology

- o Energy Conservation

- o Efficiency

March 1, 1991

MEMORANDUM FOR GOVERNOR SUNUNU

FROM: D. ALLAN BROMLEY

SUBJECT: Change of U.S. Chairmanship of IPCC Working Group III

As you know, Dr. Frederick Bernthal has been representing the U.S. as Chair of Working Group III of the Intergovernmental Panel on Climate Change (IPCC), the Response Strategies Working Group, since its first meeting in January of 1989. Since that time, the Working Group has, through a series of meetings and drafting sessions, produced the attached summary of the first year of work by this body, Climate Change - The IPCC Response Strategies. The charge of IPCC to RSWG was to lay out as fully and fairly as possible a set of response policy options and the factual basis for those options.

Dr. Bernthal has subsequently left the Department of State to become Deputy Director of the National Science Foundation and will be unable to continue as U.S. Chair of Working Group III. However, after discussion among members of the DPC Global Change Strategy Task Force, it has been proposed that he be replaced by Bob Reinstein, our Chief Negotiator for the Framework Convention on Climate Change and Deputy Assistant Secretary of State for Environment, Health and Natural Resources. As you are aware, Mr. Reinstein has participated actively in the work of the IPCC and is extremely conversant with the critical issues before it. The next Plenary meeting of the IPCC will take place March 13-15, 1991, and it is important that we are strongly represented in the Chair at that meeting.

If you do not have any objections to this course of action, I would like to recommend that we name Mr. Reinstein as U.S. Chair of Working Group III as soon as possible.

THE WHITE HOUSE

WASHINGTON

March 29, 1991

MEMORANDUM FOR GOVERNOR SUNUNU

FROM:

D. ALLAN BROMLEY

Alan

SUBJECT:

International Environmental Meetings

The fifth plenary session of the Intergovernmental Panel on Climate Change (IPCC) was held March 13 to 15. With negotiations on a framework climate change convention currently underway, and a variety of other international environmental meetings on the horizon such as the IPCC and the United Nations Conference on Environment and Development (UNCED), it will be very important to carefully coordinate U.S. activities. This will do much to avoid a potential disconnect in U.S. policies in these different fora.

You will recall that the IPCC is the U.S. endorsed, multinational group considering the science of, impacts from, and possible responses to potential climate changes. By all accounts this latest meeting was a success, both in terms of its beneficial impact on future IPCC meetings and the lack of adverse press coverage. I trust from the latter that you will agree it was handled very well. This is not to understate, however, the problems faced during the meeting's three days.

For example, a group of developing countries attempted to make changes in the structure and organization of the IPCC. The U.S. had retained the chair of the third working group (Response Strategies Working Group, or RSWG), which would have been lost under one of the developing country's proposals. The U.S. delegation, under the able leadership of Bob Reinstein (Deputy Assistant Secretary for Oceans, International Environmental and Scientific Affairs) was able to hold firm on the U.S. position in a non-disruptive fashion. As a result, the U.S. will retain the chair of RSWG and the structure of the IPCC is intact.

I must tell you that I was also very impressed with the hard work Bob Reinstein put in as the U.S. negotiator at the first session on the climate change framework convention. His knowledge about the international environmental issues, his chairmanship of the RSWG, and the trust and credibility he has developed throughout the Administration is a real asset. It certainly would be most helpful if there was some appropriate way for Mr. Reinstein to assist formally in the coordination of preparations for other international meetings, such as the UNCED.

Please do feel free to contact me if you have any further questions on the IPCC or any other climate change issues.

INC

Environment

THE WHITE HOUSE
WASHINGTON
June 14, 1991

file - INC
w. wing update

MEMORANDUM FOR GOVERNOR SUNUNU

FROM: D. ALLAN BROMLEY *[Signature]*
EDE HOLIDAY *[Signature]*

SUBJECT: Update on Climate Change Negotiations

The Intergovernmental Negotiating Committee will hold their second negotiating session on a framework convention on climate change next week in Geneva. The Global Change Strategy Task Force recently met with Robert Reinstein, the U.S. negotiator, to discuss the upcoming session and U.S. negotiating strategy.

As you know, the first negotiating session was held last February in Chantilly, Virginia and accomplished relatively little. Much of the ten day session next week will continue to be spent on organizational and procedural matters, such as the membership of the two working groups on commitments and mechanisms. The remaining time will be dedicated to reviewing various proposals submitted by participating countries, and a proposed outline of a possible framework convention structure.

The U.S. remains firm in its support for a comprehensive approach to climate change and in its opposition to establishing targets and timetables to accomplish that goal. The U.S. will quickly bracket any language produced in the negotiating session that is objectionable.

In response to the U.S. position, the U.K. has proposed an alternative "phased comprehensive approach" that acknowledges the ultimate goal of including all greenhouse gases, their sources and sinks, in any framework convention, yet seeks to achieve that goal in increments, starting with carbon dioxide. The U.K. proposal also includes the concept of "pledge and review," which the U.S. views as another way of establishing targets and timetables. This threshold issue will likely come up later in the year, since the only way the negotiating session can make progress is to discuss less controversial issues.

You should also know that the Senate Foreign Relations Committee recently adopted a Sense of the Senate amendment (offered by Senator Biden) to the FY 1992 State Department authorization bill regarding a framework convention on climate change. The amendment lists six goals a framework convention should achieve, including the stabilization of net greenhouse gas emissions by the year 2000 and the establishment of "verifiable goals" for net reduction of greenhouse gasses.

INU

THE WHITE HOUSE
WASHINGTON

June 27, 1991

6/27

Nancy,

This is a copy of
DAB's cover note for
your info....

Marian

MEMORANDUM FOR JOHN H. SUNUNU

FROM: D. ALLAN BROMLEY *Dulan*
SUBJECT: GLOBAL CHANGE FRAMEWORK NEGOTIATIONS

I enclose herewith

a) a Department of State cable summarizing the events of the first week of the current Geneva meeting on the above topic;

b) a statement of principals tabled by Robert Reinstein--our negotiator--at the invitation of the UN Secretariat. I understand that Andy Card already has a copy. I consider that Reinstein is doing an excellent job for us.

Enclosures

6/27/91

DR. Bromley -

I added one item to
be distributed to Strategy
Task Force.

Reinstein faxed in (this a.m.)
a set of principles he
submitted to the INC
Secretariat (based on cleared
material).

You may want to
mention this to Sumner in
your meeting. Reinstein sent
the principles to Andy Card.

N.

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF SCIENCE AND TECHNOLOGY POLICY
WASHINGTON, D.C. 20506

June 25, 1991

MEMORANDUM FOR THE GLOBAL CHANGE STRATEGY TASK FORCE

FROM: D. ALLAN BROMLEY 
SUBJECT: Intergovernmental Negotiating Committee Update

In case you have not received a copy, I am forwarding herewith the first Department of State reporting cable on the activities of the Intergovernmental Negotiating Committee (INC) for a Framework Convention on Climate Change. The cable summarizes the events of the first week of the second session of the INC. As soon as we receive further updates on this week's activities, we will pass that information on to you.

added { In addition, in response to an invitation from the INC Secretariat to nations to submit lists of principles for a Framework Convention on Climate Change, the US has submitted a set of principles. Bob Reinstein drafted these principles, based upon a previous submission to the Secretariat by the US. These are attached for your reference.

IMMEDIATE

UNCLASSIFIED

WHITE HOUSE SITUATION ROOM

*Nancy Maynard -
Anything important
here?
JN
9/26/91*

PAGE 01 OF 06

PRT: CARD CEO OSTP

SIT: VAX WHSR₁IN

<PREC> IMMEDIATE <CLAS> UNCLASSIFIED <DTG> 161311Z SEP 91

FM AMEMBASSY NAIROBI

TO RUEHC/SECSTATE WASHDC IMMEDIATE 4683

RHEHAAA/WHITEHOUSE WASHDC

RUCPDC/USDOC WASHDC

RUEADOE/DOE WASHDC

RUEATRS/TREASURY DEPT WASHDC

RUEANAT/NASA WASHDC

RUEKJCS/SECDEF WASHDC

RUCNDT/USMISSION USUN NEW YORK 6696

RUEHGV/USMISSION GENEVA 5637

RUFHFR/AMEMBASSY PARIS 8278

RUEHBS/AMEMBASSY BRUSSELS 1813

RUFHLD/AMEMBASSY LONDON 0495

RUFHOL/AMEMBASSY BONN 4417

RUEHOT/AMEMBASSY OTTAWA 0821

RUEHRO/AMEMBASSY ROME 5022

RUEHSW/AMEMBASSY BERN 0306

RUFHTH/AMEMBASSY THE HAGUE 0547

RUFHSK/AMEMBASSY STOCKHOLM 0533

RUFHOS/AMEMBASSY OSLO 0489

RUFHNK/AMEMBASSY HELSINKI 0222

RUEHBY/AMEMBASSY CANBERRA 0509

RUEHWL/AMEMBASSY WELLINGTON 0233

RUEHKO/AMEMBASSY TOKYO 1150

RUEHBR/AMEMBASSY BRASILIA 0430

RUEHMT/AMCONSUL MONTREAL 0267

RUEHMO/AMEMBASSY MOSCOW 0043

RUEHNE/AMEMBASSY NEW DELHI 1533

RUEHBJ/AMEMBASSY BEIJING 0362

UNCLASSIFIED

IMMEDIATE

UNCLASSIFIED

WHITE HOUSE SITUATION ROOM

PAGE 02 OF 06

UNCLAS SECTION 01 OF 03 NAIROBI 22695

DEPARTMENT FOR IO/T/SCT (MCGUINNESS), OES/EGC,
IO/D/ECH (POLLACK), OES/ENV (USREY), OES/EHC (SAVAGE),
OES/OA (SCULLY), S/P (DAWSON), L/OES (DONOGHUE),
EB/ERF (RAMSAY), EB/IFD/ODF (BUTCHER), A/AID (HAUSMAN),
AID/S AND T/EN (VANDERRYN)

PARIS FOR UNESCO, UNESCO OBSERVER, SCICOUNS, USOECD;
BRUSSELS FOR USEC; ROME ALSO FOR FODAG; MONTREAL FOR ICAO
WHITEHOUSE FOR OSTP, CEQ, A. CARD

USDOC FOR NOAA, ITA

DOE FOR NS (STUNTZ), IE, PE

DEPARTMENT PASS TO: EPA/OIA (VOGELGESANG), DOI, USDA,
NSF, USTR

E.O. 12356: N/A

TAGS: AORC, UNEP, SENV, EAID, EFIN, ENRG, ETRD, KSCA, INC

SUBJECT: CLIMATE CHANGE: INC III - U.S. STATEMENT ON
TECHNOLOGY TRANSFER AND FINANCIAL ASSISTANCE

REF: NAIROBI 22494

1 ON SEPTEMBER 13, THE HEAD OF THE U.S. DELEGATION TO
THE THIRD SESSION OF THE INTERGOVERNMENTAL NEGOTIATING
COMMITTEE FOR A FRAMEWORK CONVENTION ON CLIMATE CHANGE,
DEPUTY ASSISTANT SECRETARY OF STATE ROBERT REINSTEIN,
MADE A STATEMENT ON TECHNOLOGY TRANSFER AND FINANCIAL

ASSISTANCE. TEXT OF STATEMENT IS PROVIDED BELOW.

2. BEGIN TEXT:

THANK YOU MR. CHAIRMAN.

I WOULD LIKE TO MAKE JUST A FEW COMMENTS ON THE SUBJECT
OF TECHNICAL AND FINANCIAL ASSISTANCE TO DEVELOPING
COUNTRIES AND OTHER COUNTRIES TO FACILITATE THEIR
PARTICIPATION IN THE CONVENTION.

I SHOULD FIRST NOTE THAT A NUMBER OF COUNTRIES WILL BE IN

UNCLASSIFIED

IMMEDIATE

UNCLASSIFIED

WHITE HOUSE SITUATION ROOM

PAGE 03 OF 06

NEED OF SOME FORM OF ASSISTANCE IN ORDER TO TAKE ACTIONS IN RESPONDING TO THE THREAT OF GLOBAL CLIMATE CHANGE. THESE INCLUDE THE DEVELOPING COUNTRIES BUT ALSO THOSE COUNTRIES WITH ECONOMIES IN TRANSITION. MOREOVER, AMONG DEVELOPING COUNTRIES THERE ARE CLEAR DIFFERENCES IN REGARD TO ABILITY TO TAKE ACTIONS ON CLIMATE CHANGE, AND THESE DIFFERENCES SHOULD BE TAKEN INTO ACCOUNT AS WELL. OTHER DELEGATIONS, NOTABLY AUSTRALIA, HAVE EMPHASIZED DIFFERENCES EVEN AMONG INDUSTRIALIZED COUNTRIES AFFECTING RELATIVE ABILITY TO TAKE ACTIONS TO COME AT CLIMATE CHANGE.

-
WE PREFER THE TERM "TECHNOLOGY COOPERATION" TO THE TERM "TECHNOLOGY TRANSFER" BECAUSE THE FORMER INCLUDES A MUCH BROADER RANGE OF ASPECTS WHICH WE CONSIDER ESSENTIAL TO THE LONG-TERM RESPONSE TO GLOBAL CLIMATE CHANGE, SUCH AS TECHNOLOGY NEEDS ASSESSMENT, TECHNOLOGY DEVELOPMENT, TRAINING AND OTHER INSTITUTION BUILDING, AND SO FORTH, AS WELL AS TECHNOLOGY TRANSFER IN THE MORE NARROW, TRADITIONAL SENSE. A CONSIDERABLE NUMBER OF ACTIVITIES ARE NOW UNDERWAY OR HAVE ALREADY TAKEN PLACE INVOLVING TECHNOLOGY COOPERATION ON CLIMATE CHANGE RELATED MATTERS AND ARE BEING CARRIED OUT NOT ONLY BY SEVERAL U.S. GOVERNMENT AGENCIES BUT ALSO BY SEVERAL U.S. AND

BT

#2695

BT

UNCLAS SECTION 02 OF 03 NAIROBI 22695

DEPARTMENT FOR IO/T/SCT (MCGUINNESS), OES/EGC,
IO/D/ECH (POLLACK), OES/ENV (USREY), OES/EHC (SAVAGE),
OES/OA (SCULLY), S/P (DAWSON), L/OES (DONOGHUE),
EB/ERF (RAMSAY), EB/IFD/ODF (BUTCHER), A/AID (HAUSMAN),
AID/S AND T/EN (VANDERRYN)

PARIS FOR UNESCO, UNESCO OBSERVER, SCICOUNS, USOECD;
BRUSSELS FOR USEC; ROME ALSO FOR FODAG; MONTREAL FOR ICAO
WHITEHOUSE FOR OSTP, CEQ, A. CARD

UNCLASSIFIED

IMMEDIATE

UNCLASSIFIED

WHITE HOUSE SITUATION ROOM

PAGE 04 OF 06

USDOC FOR NOAA, ITA

DOE FOR NS (STUNTZ), IE, PE

DEPARTMENT PASS TO: EPA/OIA (VOGELGESANG), DOI, USDA,
NSF, USTR

E.O. 12356: N/A

TAGS: AORC, UNEP, SENV, EAID, EFIN, ENRG, ETRD, KSCA, INC

SUBJECT: CLIMATE CHANGE: INC III - U.S. STATEMENT ON
MULTINATIONAL INDUSTRIES.

-
WITH REGARD TO FINANCIAL RESOURCES AND MECHANISMS, WE
NOTED IN JUNE THE IMPORTANCE OF MAKING MAXIMUM USE OF
EXISTING RESOURCES AND MULTILATERAL AND BILATERAL

MECHANISMS BEFORE CONSIDERING THE CREATION OF NEW
ENTITIES. AT THE SAME TIME, WE STRESSED THAT RESOURCES
FOR PURPOSES OF ADDRESSING CLIMATE CHANGE AND OTHER
ENVIRONMENTAL ISSUES MUST BE INTEGRATED WITHIN OVERALL
ECONOMIC DECISION-MAKING IN SUCH A WAY THAT SUPPORT FOR
GENERAL DEVELOPMENT PURPOSES IS IN NO WAY DIMINISHED. WE
FOUND MANY POINTS IN THE INTERVENTIONS OF THE EC, JAPAN
AND CANADA THAT COULD FACILITATE FURTHER DISCUSSION ON
THIS QUESTION.

-
I MIGHT NOTE THAT THE UNITED STATES IS ALREADY ENGAGED IN
FINANCING MANY ACTIVITIES IN DEVELOPING COUNTRIES RELATED
TO CLIMATE CHANGE. WE HAVE MADE A SIGNIFICANT FINANCIAL
CONTRIBUTION TO THE MONTREAL PROTOCOL FUND (I AM AWARE OF
THIS BECAUSE I PERSONALLY SIGNED THE TRANSMITTAL
LETTER). WE HAVE FINANCED A NUMBER OF COUNTRY STUDIES
RELATED TO CLIMATE CHANGE AND WILL UNDERTAKE MORE OF SUCH
STUDIES. WE HAVE COMMITTED TO DEVELOP THE INTER-AMERICAN
INSTITUTE FOR GLOBAL CHANGE RESEARCH TO COOPERATE ON
GLOBAL CLIMATE RESEARCH IN THE WESTERN HEMISPHERE. ALL
OF THESE AND OTHER ACTIVITIES ARE IN ADDITION TO THE
NORMAL DEVELOPMENT AID PROVIDED THROUGH OUR REGULAR
ASSISTANCE PROGRAMS.

UNCLASSIFIED

IMMEDIATE

UNCLASSIFIED

WHITE HOUSE SITUATION ROOM

PAGE 05 OF 06

I WOULD LIKE TO EMPHASIZE IN PARTICULAR THE ROLE OF A COUNTRY-STUDY PROCESS NOT ONLY AS AN ASPECT OF FINANCIAL ASSISTANCE IN ITSELF, BUT MORE IMPORTANTLY AS A TOOL FOR IDENTIFYING AND CLARIFYING FINANCIAL NEEDS ASSOCIATED WITH RESPONSES TO CLIMATE CHANGE. THIS PROCESS MAY ALSO HAVE BENEFITS FOR GENERAL DEVELOPMENT PLANNING PURPOSES, SINCE IN PRINCIPLE IT MAY COVER ENERGY, AGRICULTURE, FORESTRY, TRANSPORTATION AND CERTAIN INDUSTRIAL ACTIVITIES, ALL OF WHICH ARE OBVIOUSLY RELATED TO ECONOMIC DEVELOPMENT.

FINALLY, MR. CHAIRMAN, I WOULD NOTE THAT THE LOGICAL CONNECTION OF ISSUES, AS IT SEEMS TO US, WOULD FLOW FROM ESTABLISHMENT OF COMMITMENTS, TO IDENTIFICATION OF TECHNOLOGY NEEDS, TO ESTIMATION OF COSTS ASSOCIATED WITH THESE NEEDS AND OTHER ASPECTS OF RESPONSES TO CLIMATE

BT

#2695

BT

UNCLAS SECTION 03 OF 03 NAIROBI 22695

DEPARTMENT FOR IO/T/SCT (MCGUINNESS), OES/EGC,
IO/D/ECH (POLLACK), OES/ENV (USREY), OES/EHC (SAVAGE),
OES/OA (SCULLY), S/P (DAWSON), L/OES (DONOGHUE),
EB/ERF (RAMSAY), EB/IFD/ODF (BUTCHER), A/AID (HAUSMAN),
AID/S AND T/EN (VANDERRYN)

PARIS FOR UNESCO, UNESCO OBSERVER, SCICOUNS, USOECD;
BRUSSELS FOR USEC; ROME ALSO FOR FODAG; MONTREAL FOR ICAO
WHITEHOUSE FOR OSTP, CEQ, A. CARD

USDOC FOR NOAA, ITA

DOE FOR NS (STUNTZ), IE, PE

DEPARTMENT PASS TO: EPA/OIA (VOGELGESANG), DOI, USDA,
NSF, USTR

E.O. 12356: N/A

TAGS: AORC, UNEP, SENV, EAID, EFIN, ENRG, ETRD, KSCA, INC

SUBJECT: CLIMATE CHANGE: INC III - U.S. STATEMENT ON
CHANGE UNDER THE CONVENTION, AND THEN TO WAYS AND MEANS

UNCLASSIFIED

IMMEDIATE

UNCLASSIFIED

WHITE HOUSE SITUATION ROOM

PAGE 06 OF 06

OF MEETING THESE FINANCIAL NEEDS. THUS, THE RESOLUTION

OF EACH OF THESE ISSUES WILL BE LINKED SO THAT THE FINAL AGREEMENT WILL "COVER IN AN INTEGRATED MANNER ALL AREAS OF COMMON CONCERN" IN ACCORDANCE WITH DECISION 1/1 OF THIS COMMITTEE.

-

THANK YOU, MR. CHAIRMAN.

-

END TEXT
HEMPSTONE

BT

#2695

UNCLASSIFIED