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Collection: Baker, Howard H.
Folder Title: Acid Rain (1)
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Withdrawal/Redaction Sheet

Ronald Reagan Library

Case:1078

Archivist: Kelly Barton

DOC	TYPE	DATE	PAGES	CLASS.	CLOSED
1	Memorandum	ND	2		01-13-2003
	NSC #: WHORM Subject #: <i>R 3/20/06 NSR 97-066/4 #1</i> To: From: For the Record Subject: re 2/3/88 meeting with Ambassador Gottlieb Restriction : FOIA(b)1				
2	Letter	ND	2		01-13-2003
	NSC #: WHORM Subject #: <i>D "</i> To: RR From: Prime Minister Mulroney (advance copy) Subject: Restriction : FOIA(b)1 <i>D "</i> <i>#2</i> <i>#3</i>				
3	Talking Points/Briefing Paper	ND	2		01-13-2003
	NSC #: WHORM Subject #: To: From: Subject: re Prime Minister's letter to RR Restriction : FOIA(b)1				

COLLECTION: Baker, Howard H. Jr.: Files

SERIES: Series I: Subject File

TITLE: Acid Rain (1)

OA/ID NUMBER: 1

BOX NUMBER: 1

Folder #: 1 of 17

Restriction Codes

Presidential Records Act - [44 U.S.C. 2204(a)]
 PRA-1 -National Security Classified Information.
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DOC	TYPE	DATE	PAGES	CLASS.	CLOSED
4	Memorandum	ND	2		01-13-2003

NSC #: WHORM Subject #: *R 3/20/06 NLS197-066/f #4*
 To:
 From: For the Record
 Subject: re call on Sen. Baker by Ambassador Gottlieb (same text as document 1 in folder)

Restriction : FOIA(b)1

5	Letter	<i>D</i>	<i>ND</i>	<i>2</i>	<i>#5</i>	01-13-2003
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NSC #: WHORM Subject #:
 To: RR
 From: Prime Minister Mulroney (advance copy)
 Subject: copy of document 2 in folder

Restriction : FOIA(b)1

6	Talking Points/Briefing Paper	<i>D</i>	<i>ND</i>	<i>2</i>	<i>#6</i>	01-13-2003
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NSC #: WHORM Subject #:
 To:
 From:
 Subject: re Prime Minister's letter to RR (copy of document 3 in folder)

Restriction : FOIA(b)1

7	Letter	<i>D</i>	<i>01/07/1988</i>	<i>1</i>	<i>#7</i>	01-13-2003
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NSC #: WHORM Subject #:
 To: H. Baker
 From: Allan Gottlieb
 Subject: re advance copy of letter from Prime Minister Mulroney (original, with Post-It Note)

Restriction : FOIA(b)1

COLLECTION: Baker, Howard H. Jr.: Files

SERIES: Series I: Subject File

TITLE: Acid Rain (1)

OA/ID NUMBER: 1

BOX NUMBER: 1

Folder #: 1 of 17

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DOC	TYPE	DATE	PAGES	CLASS.	CLOSED
8	Letter	ND 5/20/06	1		01-13-2003
	NSC #: WHORM Subject #: D To: RR From: Brian Mulroney Subject: re 11/25/87 letter (advance copy) Restriction : FOIA(b)1				
9	Letter	01/07/1988	1		01-13-2003
	NSC #: WHORM Subject #: D To: Howard Baker From: Allan Gottlieb Subject: re advance copy of letter from Mulroney to RR (copy of document 7 in folder) Restriction : FOIA(b)1				
10	Letter	ND	1		01-13-2003
	NSC #: WHORM Subject #: D To: RR From: B. Mulroney Subject: re 11/25/87 letter (copy of document 8 in folder) Restriction : FOIA(b)1				
11	Letter	01/15/1988	1		01-13-2003
	NSC #: WHORM Subject #: R To: Howard Baker From: George Shultz Subject: re yesterday's Domestic Policy Council meeting Restriction : FOIA(b)1				

COLLECTION: Baker, Howard H. Jr.: Files

SERIES: Series I: Subject File

TITLE: Acid Rain (1)

OA/ID NUMBER: 1

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DOC	TYPE	DATE	PAGES	CLASS.	CLOSED
12	Memorandum	11/20/1987	1		01-13-2003
	NSC #: 8617 WHORM Subject #: <i>R 3/20/06 NSTA 97-06617 #12</i> To: Nancy Risque From: Grant Green Subject: re letter from Prime Minister Mulroney re: acid rain accord Restriction : FOIA(b)1				
13	Memorandum	11/20/1987	1		01-13-2003
	NSC #: 8617 WHORM Subject #: <i>R u u #13</i> To: Frank Carlucci From: Melvin Levitsky Subject: re Mulroney letter on acid rain Restriction : FOIA(b)1				
14	Letter	11/16/1987	1		01-13-2003
	NSC #: WHORM Subject #: <i>D u u #14</i> To: Ron From: Brian [Mulroney] Subject: re acid rain Restriction : FOIA(b)1				
15	Letter	11/24/1987	1		01-13-2003
	NSC #: WHORM Subject #: <i>R u - #15</i> To: B. Mulroney From: RR Subject: re 11/16/87 letter Restriction : FOIA(b)1				

COLLECTION: Baker, Howard H. Jr.: Files

SERIES: Series I: Subject File

TITLE: Acid Rain (1)

OA/ID NUMBER: 1

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Folder #: 1 of 17

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DOC	TYPE	DATE	PAGES	CLASS.	CLOSED
16	Memorandum	11/25/1987	2		01-13-2003
	NSC #: WHORM Subject #: R 3/20/06 USF97-0664 # 16 To: the President From: Nancy Risque Subject: re acid rain policy guidance Restriction : FOIA(b)1				
17	Memorandum	11/25/1987	1		01-13-2003
	NSC #: WHORM Subject #: R To: Secretary of State From: Subject: re bilateral summit Restriction : FOIA(b)1				
18	Letter	11/23/1987	1		01-13-2003
	NSC #: WHORM Subject #: R To: Howard Baker From: John Whitehead Subject: re response to Prime Minister Restriction : FOIA(b)1				
19	Talking Points/Briefing Paper	ND	1		01-14-2003
	NSC #: WHORM Subject #: R To: From: Subject: re acid rain options Restriction : FOIA(b)1				

COLLECTION: Baker, Howard H. Jr.: Files

SERIES: Series I: Subject File

TITLE: Acid Rain (1)

OA/ID NUMBER: 1

BOX NUMBER: 1

Folder #: 1 of 17

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DOC	TYPE	DATE	PAGES	CLASS.	CLOSED
20	Memorandum	ND 3/20/06	1		01-14-2003
	NSC #: WHORM Subject #: R To: President From: Domestic Policy Council Subject: re US acid rain policy Restriction : FOIA(b)1 <i>NSF97-066/4 720</i>				
21	Memorandum	01/13/1988	2		01-14-2003
	NSC #: WHORM Subject #: l To: From: Nancy Risque Subject: re 1/13/88 Domestic Policy Council meeting Restriction : FOIA(b)1 <i>u u u #21</i>				
22	Memorandum	01/13/1988	5		02-11-2003
	NSC #: WHORM Subject #: l To: the President From: the Domestic Policy Council Subject: re US Acidic Deposition (Acid Rain) Policy Restriction : FOIA(b)1 <i>u u u #22</i>				

COLLECTION: Baker, Howard H. Jr.: Files

SERIES: Series I: Subject File

TITLE: Acid Rain (1)

OA/ID NUMBER: 1

BOX NUMBER: 1

Folder #: 1 of 17

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PENDING REVIEW IN ACCORDANCE WITH E.O. 13233

Ronald Reagan Library

Collection Name BAKER, HOWARD: FILES

Withdrawer

SMF 4/24/2007

File Folder ACID RAIN (1)

FOIA

F97-066/4

Box Number 1

ID	Doc Type	Document Description	No of Pages	Doc Date
16	MEMO	RISQUE TO RR RE ACID RAIN POLICY GUIDANCE (F97-066/4 #16)	2	11/25/1987
19	TALKING POINTS	RE ACID RAIN OPTIONS (F97-066/4 #19)	1	ND
20	MEMO	DOMESTIC PLICY COUNCIL TO RR RE US ACID RAIN POLICY (F97-066/6 #20)	1	ND
22	MEMO	DOMESTIC PLICY COUNCIL TO RR RE US ACID RAIN POLICY (F97-066/6 #21)	5	1/13/1988

5/20/09 KDB

THE WHITE HOUSE

WASHINGTON

March 15, 1988

HB
3/21

MEMORANDUM FOR SENATOR BAKER

FROM: JOHN C. TUCK

SUBJECT: Reminder

You wanted to be reminded that you promised Derek Burney you would give him the name of an emissary on the acid rain issue.

THE WHITE HOUSE

WASHINGTON

~~CONFIDENTIAL~~

MEMORANDUM FOR THE RECORD

SUBJECT: Meeting with Ambassador Allan E. Gotlieb of Canada

PARTICIPANTS: Howard H. Baker, Jr., Chief of Staff
John D. Negroponte, Deputy Assistant to the
President for National Security Affairs

Allan E. Gotlieb, Ambassador, Embassy of Canada

DATE, TIME: February 3, 1988, 5:00-5:20 p.m.
AND PLACE: Senator Baker's Office

Ambassador Gotlieb called on Senator Baker to deliver an advance copy of the attached letter from Prime Minister Mulroney to President Reagan.

He read from the talking points which are also attached. After reading from his prepared script, Ambassador Gotlieb noted that his Prime Minister wants to handle this matter as delicately as possible since he feels so personally close to President Reagan. On the other hand, he feels that the results of the January 25 negotiating session were deeply disappointing and would be difficult to present as "step forward" to the Canadian public. The Prime Minister therefore feels that unless our negotiators can get a commitment to seek emissions reductions, the Canadians may have no other choice but to acknowledge publicly that our two countries have been unable to find a basis for agreement.

Senator Baker responded that there had been two DPC meetings on this subject and that the approach taken by our negotiators on January 25 had been personally approved by the President. He therefore did not see any likely prospect for a change in the USG position. Nevertheless, he assured Ambassador Gotlieb that he would make the Prime Minister's views known to the President as soon as possible and was certain that the President would consider the Prime Minister's letter with an understanding spirit.

Ambassador Gotlieb concluded by saying that in effect the Prime Minister's letter constituted an appeal to the President to reconsider our approach to the acid rain accord.

~~CONFIDENTIAL~~

Declassify on: OADR

DECLASSIFIED

NLS F97-066/4 #1

27 CS NARA, DATE 3/26/06

~~CONFIDENTIAL~~

-2-

Senator Baker said he understood and assured the Ambassador that the matter would not be treated lightly and that he would bring the Prime Minister's letter to the President's attention as soon as possible.

Attachments:

As stated.

Clearance: John Tuck

JCT

Prepared by: *JDN*
John D. Negroonte

cc: Senator Baker
Ms. Risque
Mr. Whitehead (State)
Mr. Thomas (EPA)

~~CONFIDENTIAL~~

Canadian Embassy



Ambassade du Canada

1746 Massachusetts Ave. N.W.
Washington, D.C. 20036

February 3, 1988

The Honorable Howard Baker
Chief of Staff to the President
The White House
1600 Pennsylvania Avenue N.W.
Washington, D.C. 20500

Dear Mr. Baker, ^{Howard,}

Attached is an advance copy of the text of a letter from Prime Minister Mulroney to President Reagan on Canada's proposal to negotiate an acid rain accord. The signed original of the letter will be forwarded as soon as possible.

Yours sincerely,

Allan

Allan Gotlieb
Ambassador

~~CONFIDENTIAL~~

MEMORANDUM FOR THE RECORD

SUBJECT: Call On Senator Baker by Canadian Ambassador
Gotlieb - February 3, 1988

Ambassador Gotlieb called on Senator Baker to deliver an advance copy of the attached letter from Prime Minister Mulroney to President Reagan.

He read from the talking points which are also attached. After reading from his prepared script, Ambassador Gotlieb noted that his Prime Minister wants to handle this matter as delicately as possible since he feels so personally close to President Reagan. On the other hand, he feels that the results of the January 25 negotiating session were deeply disappointing and would be difficult to present as a "step forward" to the Canadian public. The Prime Minister therefore feels that unless our negotiators can get a commitment to seek emissions reductions, the Canadians may have no other choice but to acknowledge publicly that our two countries have been unable to find a basis for agreement.

Senator Baker responded that there had been two DPC meetings on this subject and that the approach taken by our negotiators on January 25 had been personally approved by the President. He therefore did not see any likely prospect for a change in the USG position. Nevertheless,

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NLS F97-000/4 #4
BY CS, NARA, DATE 3/20/06

~~CONFIDENTIAL~~

- 2 -

he assured Ambassador Gotlieb that he would make the Prime Minister's views known to the President as soon as possible and was certain that the President would consider the Prime Minister's letter with an understanding spirit.

Ambassador Gotlieb concluded by saying that in effect the Prime Minister's letter constituted an appeal to the President to reconsider our approach to the acid rain accord.

Senator Baker said he understood and assured the Ambassador that the matter would not be treated lightly and that he would bring the Prime Minister's letter to the President's attention as soon as possible.

Drafted: JDNegroponete

cc: Ms. Risque
Senator Baker
Mr. Whitehead (State)
Mr. Thomas (EPA)

Clearance: Mr. Tuck

~~CONFIDENTIAL~~

Canadian Embassy



Ambassade du Canada

1746 Massachusetts Ave. N.W.
Washington, D.C. 20036

February 3, 1988

The Honorable Howard Baker
Chief of Staff to the President
The White House
1600 Pennsylvania Avenue N.W.
Washington, D.C. 20500

Dear Mr. Baker, ^{Howard,}

Attached is an advance copy of the text of a letter from Prime Minister Mulroney to President Reagan on Canada's proposal to negotiate an acid rain accord. The signed original of the letter will be forwarded as soon as possible.

Yours sincerely,

A handwritten signature in cursive script that reads "Allan".

Allan Gotlieb
Ambassador

THE WHITE HOUSE
WASHINGTON

January 8, 1988

NOTE FOR SENATOR BAKER

FROM: JOHN C. TUCK

You should review closely the little
tab on Ambassador Gotlieb's letter.

I think he left it on by mistake.

**JOHN C. TUCK
EXECUTIVE ASSISTANT
TO THE CHIEF OF STAFF**

Withdrawal/Redaction Sheet

Ronald Reagan Library

Document

Number: 9	Date: 01/07/1988	Classification:
Type: Letter	Total Pages: 1	Closed: 01-13-2003
NSC #: WHORM Subject #:		
To: Howard Baker		
From: Allan Gottlieb		
Subject: re advance copy of letter from Mulrone y to RR (copy of document 7 in folder)		

Folder

Collection: Baker, Howard H. Jr.: Files		
Series: Series I: Subject File		
Title: Acid Rain (1)		
OA ID: 1	Box Number: 1	Folder #: 1 OF 17

Restrictions

FOIA(b)1 FOIA(b)1

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Withdrawal/Redaction Sheet

Ronald Reagan Library

Document

Number: 10

Date: ND

Classification:

Type: Letter

Total Pages: 1

Closed: 01-13-2003

NSC #: WHORM Subject #:

To: RR

From: B. Mulroney

Subject: re 11/25/87 letter (copy of document 8 in folder)

Folder

Collection: Baker, Howard H. Jr.: Files

Series: Series I: Subject File

Title: Acid Rain (1)

OA ID: 1

Box Number: 1

Folder #: 1 OF 17

Restrictions

FOIA(b)1 FOIA(b)1

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THE WHITE HOUSE
WASHINGTON

1/19/88

Referred to Nancy Risque for
action.

THE SECRETARY OF STATE
WASHINGTON

~~CONFIDENTIAL~~

January 15, 1988

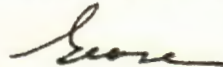
Dear Howard:

I appreciate your support at yesterday's DPC meeting for a Presidential decision on the acid rain issue which would permit us to commence negotiations with the Canadians on a bilateral mechanism similar to the mechanism established by the 1972 Great Lakes Water Quality Agreement. I share your view that this approach, referred to in the memorandum to the President as option "B expanded", would enable us to respond to the Canadians in a manner consistent with the President's past statements on acid rain without committing us in advance to either specific emissions targets or additional control actions.

At the close of the meeting the President responded positively to the Attorney General's suggestion that a DPC working group specifically including Lee Thomas prepare a revised version of option "B expanded" for the President's review and concurrence. The revised approach would be carefully crafted so as not to put us on "a slippery slope" by prejudging whether emissions targets or additional control measures would ever be needed.

Persuading the Canadians to accept this approach as the basis of an accord will be a challenging assignment. Our negotiator, Bill Nitze, and his colleagues from State and other concerned agencies need sufficient time to prepare thoroughly for the scheduled January 25 meeting with the Canadians. Therefore, it is essential that the DPC staff, in consultation with Lee Thomas, State and other concerned agencies, draft a revised option "B expanded" and send it directly to the President by the beginning of next week.

Sincerely yours,



George P. Shultz

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

~~CONFIDENTIAL~~
DECL:OADR

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NLS F97-066/4711
BY: CIS NARA, DATE 3/20/08

~~CONFIDENTIAL~~

8617 *HHB*

NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20506

~~CONFIDENTIAL~~

November 20, 1987

MEMORANDUM FOR NANCY J. RISQUE

FROM: GRANT S. GREEN, *JB.*

SUBJECT: Letter from PM Mulroney re: Acid Rain Accord

Prime Minister Brian Mulroney has written the President (Tab B) expressing the hope that the United States has decided to enter substantive negotiations on the acid rain accord we agreed to consider. As the PM notes the GOC provided the USG with their draft proposal in May and we promised a timely response.

Unfortunately, as State's covering memorandum (Tab A) points out, we have delayed responding to the Canadian proposal (we have set at least four dates, which subsequently have slipped). There have been good reasons for this -- we wanted to make a reasoned and considered response, and we did not want to entangle the acid rain accord with the FTA negotiations. However, based on DPC guidance we have made a firm commitment to provide the GOC with a response by November 30, and this date cannot be allowed to slip again.

Given that the PM's letter addresses a domestic policy issue we would appreciate it if the DPC would draft a reply for the President to send to Mulroney. We believe we should have the letter to the President prior to his departure for the Ranch. Thank you.

Attachments

Tab A State memo 11/20/87
Tab B Mulroney letter 11/16/87

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BY: C11 NARA, DATE 3/20/02

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United States Department of State

Washington, D.C. 20520

November 20, 1987

MEMORANDUM FOR MR. FRANK C. CARLUCCI
THE WHITE HOUSE

Subject: Prime Minister Mulroney on Acid Rain

The Embassy of Canada has delivered the attached advance copy of a letter to the President from Prime Minister Mulroney, with a request that it be brought immediately to the President's attention. The NSC staff has asked that we forward the advance copy of the Prime Minister's letter without a proposed response.

The Prime Minister's letter underscores the importance he attaches to the acid rain issue and his expectation that we will respond shortly to his April proposal to enter into negotiations on a bilateral accord. In this connection, and as the Prime Minister is aware, we have indicated that the U.S. would provide its response at the November 30, 1987 meeting in Ottawa of the Bilateral Advisory and Consultative Group.

In view of the Prime Minister's personal demarche, the Department believes that the Domestic Policy Council discussion of acid rain policy options for the President's consideration, originally scheduled for November 10, should be added to the agenda of the November 24 DPC meeting.

Melvyn Levitsky
Executive Secretary

Attachment:

As stated

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NLS F97-066/4 #13S: CAL NARA, DATE 3/26/06

Withdrawal/Redaction Sheet

Ronald Reagan Library

Document

Number: 14	Date: 11/16/1987	Classification:
Type: Letter	Total Pages: 1	Closed: 01-13-2003
NSC #: WHORM Subject #:		
To: Ron		
From: Brian [Mulroney]		
Subject: re acid rain		

Folder

Collection: Baker, Howard H. Jr.: Files		
Series: Series I: Subject File		
Title: Acid Rain (1)		
OA ID: 1	Box Number: 1	Folder #: 1 OF 17

Restrictions

FOIA(b)1 FOIA(b)1

Restriction Codes

Presidential Records Act - [44 U.S.C. 2204(a)]

- PRA-1 -National Security Classified Information.
- PRA-2 -Relating to the appointment to Federal Office.
- PRA-3 -Release would violate a Federal statute.
- PRA-4 -Release would disclose trade secrets or confidential commercial or financial information.
- PRA-5 -Release would disclose confidential advice between the President and his advisors, or between such advisors.
- PRA-6 -Release would constitute a clearly unwarranted invasion of personal privacy.
- C. -Closed in accordance with restrictions contained in donors' deed of gift.
- PRM. -Closed as a personal record misfile.

Freedom of Information Act - [5 U.S.C. 552(b)]

- FOIA(b)(1) -National security classified information.
- FOIA(b)(2) -Release would disclose internal personnel rules and practices of an agency.
- FOIA(b)(3) -Release would violate a Federal statute.
- FOIA(b)(4) -Release would disclose trade secrets or confidential or financial information.
- FOIA(b)(6) -Release would constitute a clearly unwarranted invasion of personal privacy.
- FOIA(b)(7) -Release would disclose information compiled for law enforcement purposes.
- FOIA(b)(8) -Release would disclose information concerning the regulation of financial institutions.
- FOIA(b)(9) -Release would disclose geological or geophysical information concerning wells.

HAB

THE WHITE HOUSE

WASHINGTON

November 24, 1987

Dear Brian:

Thank you for your letter of November 16th concerning your hopes for a timely discussion of the Canadian acid rain accord proposal. I share your hope that a mutually acceptable handling of this issue can soon be found.

Along these lines, I am instructing the United States section of the Bilateral Consultative and Advisory Group to discuss the Canadian section's proposal, which was tabled last May, at their next meeting on November 30th. This will be a step forward in the process of jointly exploring the possibility of signing an effective acid rain accord.

As we continue our discussions that seek to find a common understanding between our countries on this contentious issue, I am reminded of the leadership, wisdom and courage you demonstrated during the Free Trade Agreement negotiations. I hope that again we can find the strength to take actions that will enable agreement on a sound policy to protect our environment and industries.

Sincerely,

His Excellency
Martin Brian Mulroney
Prime Minister of Canada
Ottawa

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THE WHITE HOUSE

WASHINGTON

November 25, 1987

MEMORANDUM FOR THE PRESIDENT

FROM: NANCY J. RISQUE *Nancy J. Risque*

SUBJECT: Acid Rain Policy Guidance

ISSUE: The initial response to the Canadian proposal for an acid rain bilateral accord.

DISCUSSION: You have requested an acid rain policy review in order to respond to Prime Minister Mulroney's request that the United States enter into an acid rain bilateral accord with Canada. The Domestic Policy Council has been conducting a thorough review of U.S. acid rain policy that is near completion and should be presented to you before Christmas. In working with the Canadians we agreed that the Bilateral Advisory and Consultative Group (BACG) would meet on November 30th to provide a response to the Canadian proposal.

We are not prepared to provide a U.S. proposal at this time. The Domestic Policy Council review process has been halted due to the concerns of key members of Congress who requested that the Council delay its discussions on acid rain until the current debate about extending the ozone nonattainment deadline of the Clean Air Act is resolved in Congress. These members of Congress, as well as a number of representatives of major industries, are fearful that an acid rain control program could be added to legislation to extend the ozone nonattainment deadline. Such an amendment would be contrary to your position that additional legislated acid rain controls are unnecessary. A resolution of this issue is not likely until shortly before Congress adjourns for the Christmas recess around December 15th or 16th.

Although the Council has not completed its review process, there is unanimous agreement that the Canadian proposal is not acceptable in its current form. The central elements of the Canadian proposal are:

- o Ceilings on transboundary flows of sulfur dioxide (SO₂) from one country to the other -- to include a two million ton reduction of transboundary flows of annual SO₂ emissions into Canada;
- o An agreed timetable and periodic review of compliance;

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- o Performance auditing by an independent body; and,
- o Binding disputes settlement.

The problems with this proposal are numerous and include:

- o Scientific research analyzed by the National Acidic Precipitation Assessment Program (NAPAP) strongly suggests that an additional SO₂ emissions reduction program is unnecessary, and that² other sources of acid rain, such as nitrogen oxides and oxidants, are important in controlling this phenomenon.
- o To reduce transboundary flows by two million tons of SO₂ would require a major national emissions reduction program that would ignore our scientific analysis of this issue, and cost at least seven to nine billion dollars per year.
- o Targetting emission reductions in specific regions (as implied by a reduction of transboundary flows) is not legislatively viable. Additionally, current models to measure transboundary flows are not scientifically proven -- making the measurements highly uncertain.

Thus, it is recommended that instructions be issued to the U.S. section of the BACG to guide these initial discussions with the Canadians about the proposed accord. These instructions would enable us to respond to the Canadians on November 30th.

The U.S. position conveyed in these instructions will not be acceptable to the Canadians. However, they represent a beginning of the discussion process and allow the Domestic Policy Council to finish its review of United States acid rain policy options, and Congress to finish the debate on extending Clean Air Act deadlines. This will enable you to decide upon a U.S. policy on acid rain with the full scope of advice from the Domestic Policy Council and without adversely affecting the congressional debate. Additional instructions can then be issued, allowing more comprehensive discussions with the Canadians.

RECOMMENDATION: That you sign the attached memorandum that asks Secretary Shultz to convey your instructions to the U.S. section of the BACG. The instructions point out which portions of the Canadian proposal are unacceptable, maintaining the flexibility to explore ways in which a future accord can be signed. The State Department and the NSC concur in this recommendation.

Approve Approve as Amended Disapproved No Action

THE WHITE HOUSE

WASHINGTON

November 25, 1987

MEMORANDUM FOR THE SECRETARY OF STATE

At the last bilateral summit with Prime Minister Mulroney, I agreed to consider the Prime Minister's proposal for a bilateral accord on acid rain. Pursuant to this, and after considering the advice of the Domestic Policy Council and the Department of State, I ask that you convey to the United States Section of the Bilateral Advisory and Consultative Group the following guidance for its initial discussions with the Canadian Section concerning Canada's proposed bilateral accord.

The principles listed below will guide the United States Section in their initial discussions with the Canadians. United States acid rain policy:

- o Builds upon the Special Envoy's recommendations and measures already underway to reduce emissions, and in particular allows sufficient time for the Innovative Control Technologies Program to encourage the deployment of new technologies.
- o Considers the state of scientific understanding about the acidic deposition phenomenon, to include the work of the National Acidic Precipitation Assessment Program.
- o Will not target controls for specific geographical areas.

The United States Section should be prepared to discuss different processes by which Canada and the United States could expand the exchange of information, continue joint periodic reviews of the transboundary air pollution problem, explore additional means of encouraging joint demonstration projects of new emission control technologies, and expand the conduct of joint research. The United States Section should not agree to discuss an accord that would set specified quantities of reductions within a specified time frame. The principle of reciprocity should be fundamental to any discussions in these areas.

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DEPARTMENT OF STATE
WASHINGTON

November 23, 1987

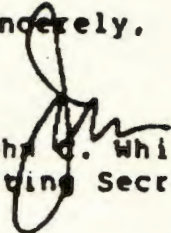
Dear Howard:

As you are aware, we are committed to respond to Prime Minister Mulroney's April proposal for an acid rain accord on November 30 in Ottawa. We discussed the proposal with the Canadians in June, but delayed our actual response until September, then October, to permit completion of a domestic policy review. The Prime Minister has now written to the President (copy attached) urging a positive response that will allow negotiations to begin soon. Clearly, any further delay in our response will only lead to additional pressure on the President.

The options paper developed by the DPC Working Group on Energy, Natural Resources and Environment has developed to the point where it will serve as a good basis for a DPC discussion. From that paper the DPC should be able to focus options to permit a decision by the President or even by the DPC itself. However, also as you know, the DPC meeting to address acid rain scheduled for November 10 was postponed and the November 24 DPC session does not now include acid rain on its agenda.

Given the President's commitment to the Prime Minister, the long delay already in responding to the Canadians, and now the Prime Minister's letter, I strongly urge that you agree to take up acid rain at the November 24 DPC session so that we can respond to the Prime Minister very soon.

Sincerely,


John G. Whitehead
Acting Secretary

Attachment:
As stated.

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

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at: 04 NARA, DATE 3/2/06

THE WHITE HOUSE
WASHINGTON

Acid Rain file —

**JOHN C. TUCK
EXECUTIVE ASSISTANT
TO THE CHIEF OF STAFF**

THE WHITE HOUSE
WASHINGTON

LHB

January 13, 1988

MEMORANDUM FOR SENATOR BAKER

FROM: NANCY RISQUE *Nancy*

SUBJECT: Acid Rain

The following is attached:

1. Draft copy of decision memo that will be forwarded to the President after the DPC meeting on Thursday. It will be altered so that the recommendations made at the meeting are incorporated. (Tab A)
2. Copy of my briefing paper for the meeting, which includes congressional and Canadian background. (Tab B)
3. Copy of the DPC memo to the President, which will be forwarded to him before and used by him during the meeting. (Tab C)
4. Copies of materials that provide some background on this policy review, including Presidential statements and previous decisions. (Tab D)
5. Copies of the origin and membership list of the Bilateral Advisory and Consultative Group (BACG). (Tab E)
6. Copies of recent correspondence between the President and Mulroney. Also a copy of John Whitehead's request to you for a DPC meeting after I had relayed to him (from you) the reasons we did not want to pursue a meeting. And finally copies of my memo to the President requesting instructions to the BACG for the November 30 meeting and the instructions. (Tab F)

Support Option B

- Consistent with policy review.
- Makes further effort.
- Doesn't jeopardize domestic balances.
- Scientific uncertainties documented.
- Costs of mandated regulatory program would threaten economic stability in U.S.
- Contentious, political issue in U.S.
- Crosses conservative - liberal, Republican - Democrat, congressional leadership lines.
- How can we engage in resolving Canada's "political" problems before resolving domestic problems -- particularly when Canadians are demanding a program that is neither scientifically or economically justifiable?

If A and B are not viewed as "good faith" responses (see Tab D, NJR to KMD memo), Option B expanded is the farthest out we can go without jeopardy. NSC staff will support Option B expanded so that in John Negroponte's words, we can give an accord "the old college try." Privately, NSC and State staff are saying this won't satisfy the Canadians and will drag out the issue with all the pain of indecision. (Footnote: Ed Meese objected to adding NSC's staff-position in the DPC paper.) Additionally, problems with pursuing Option B expanded are:

- It keeps Administration energies directed North and keeps alive speculation and "support" regarding the Mitchell bill, and eventual House bill.
- We can't argue out both sides of our mouth on this issue this year and help Byrd and others try to hold the line against Mitchell.

Options C and D are disastrous.

- Would have 1988 impact.
- Business, the Midwest and certain coal states would go into shock.

In the event Option B expanded is decided to be desirable, these discussions must be handled by policy makers who are knowledgeable about this issue. The BACG -- consisting of mid-level staff -- is wholly inadequate to carry us through this. Recommend Lee Thomas and John Whitehead.

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at CU NARA, DATE 3/21/86

THE WHITE HOUSE
WASHINGTON

~~CONFIDENTIAL~~

MEMORANDUM FOR THE PRESIDENT

FROM: THE DOMESTIC POLICY COUNCIL
SUBJECT: U.S. Acid Rain Policy

The options listed below were discussed with you at the Domestic Policy Council meeting on January 14, 1988.

RECOMMENDATION: There is unanimous Council agreement that current U.S. acid rain policy is adequate and that changes would be premature and potentially damaging to our economy. There is concern also about affecting the precarious balance that exists on this issue in the Congress. However, Council members are aware of Canadian pressure for further U.S. actions.

While the consensus is to continue present programs (Option A), most Council members feel the additional actions recommended by your Task Force on Regulatory Relief (Option B), would be consistent with current efforts in this area. The Council does not recommend Option B-Expanded, and some Council members oppose it. The Council unanimously opposes Options C and D.

Edwin Meese III
Chairman Pro Tempore

DECISION:

- _____ Option A. Continue present programs, including implementation of the Special Envoys' recommendations and the Innovative Control Technologies Program (ICTP).
- _____ Option B: Continue present programs, plus commit to the administrative measures proposed by the President's Task Force on Regulatory Relief.
- _____ Option B (Expanded): Option B, plus specify that the U.S. is prepared to use the original general format of the 1972 Great Lakes Water Quality Agreement as a basis for an accord, consistent with U.S. principles.
- _____ Option C: Option B, plus project, and periodically review, anticipated resulting emissions levels through 2000.
- _____ Option D: Option B, plus commit to a reduction from a 1980 base of annual emissions of 2-3 million tons by 1995; 4-6 million tons by 2000; or 6-8 million tons by 2005.

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THE WHITE HOUSE

WASHINGTON

January 13, 1988

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DOMESTIC POLICY COUNCIL MEETING

DATE: January 14, 1988
LOCATION: Cabinet Room
TIME: 2:00 P.M. (60 Minutes)
FROM: Nancy J. Risque

I. PURPOSE

To discuss U.S. acid rain policy and the U.S. response to Prime Minister Mulroney's proposal for a bilateral accord. This is not a decision meeting; a decision paper will follow.

II. BACKGROUND

Acid rain is a highly contentious and sensitive topic domestically and, in recent years, in our bilateral relationship with Canada.

In addition to the issue specific information provided to you in the Council's attached paper, I thought the following additional factors would be useful:

Congressional climate: The 1977 amendments to the Clean Air Act set a deadline of December 31, 1987 for areas of the United States to meet specified ozone levels. Since almost 100 major cities did not meet this deadline, Congress, in the FY 1988 Continuing Resolution, extended the deadline for an eight month period and placed restrictive controls on EPA regulatory action. This new deadline was devised by proponents of legislation setting stringent new air pollution standards, including acid rain controls, because they are counting on campaign politics to increase the pressure on the clean air issue. Comprehensive acid rain legislation that would set such standards and cost U.S. industry as much as \$10 billion per year, and that we oppose, is awaiting Senate floor action. If the bill reaches the floor, it is unlikely we will be able to improve or defeat it. Similar legislation is likely in the House.

Canadian climate: U.S.-Canada relations are "on a roll," according to NSC staff. You and the Prime Minister signed the Free Trade Agreement on January 2; the Northwest Passage dispute was settled earlier this week; and, NSC predicts that the Canadians will be forthcoming on the film dispute.

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They say Mulrone~~y~~'s personal fortunes have risen dramatically from last year -- his strategy appears to be ratification of the FTA, holding a successful economic summit, having a productive set of meetings with you, and then calling for elections later this year. Acid rain looms as the spoiler for the summit. We know what Canada wants, but not what they will accept in order to get an accord. Mulrone~~y~~ has stressed that acid rain is the litmus test of his relationship with you -- and his critics claim that he has little to show for this approach.

The paper from the Domestic Policy Council is attached and includes recommendations of the Council. You should know that although the Department of State has participated in the working group and in full Council deliberations, they have deferred any recommendation to Secretary Shultz, who will be at the DPC meeting.

III. PARTICIPANTS

Members of the Domestic Policy Council; Secretary Shultz and other interested Cabinet members; Alan Hill, chairman of the Council on Environmental Quality; and senior White House staff.

IV. PRESS PLAN

White House photographer

V. SEQUENCE OF EVENTS

- You will open the meeting and call on Ed Meese, who will make remarks and call on Lee Thomas.
- Lee Thomas will present an overview of the policy review, calling on Secretary Herrington and Boyden Gray, Counsellor to the Vice President, to brief also.
- Lee Thomas will present the options.
- After general discussion, you will indicate that you will consider the "debate" and render a decision shortly, ending the meeting.

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CU NARA, DATE 3/20/06

THE WHITE HOUSE

WASHINGTON

January 13, 1988

MEMORANDUM FOR THE PRESIDENT

FROM: THE DOMESTIC POLICY COUNCIL

SUBJECT: U.S. Acidic Deposition (Acid Rain) Policy

ISSUE: Should U.S. acid rain policy be modified? What should be the U.S. response to Canada's proposal for a bilateral accord?

BACKGROUND: To date, Administration policy has been that further research is needed before additional controls, beyond those currently required by the Clean Air Act, are placed on sources of emissions believed to cause acid rain. You have directed several activities, including a commitment to implement recommendations of the U.S. and Canadian Special Envoys, for reducing transboundary flows of acid rain. These, along with a summary of the interim report of the National Acid Precipitation Assessment Program (NAPAP) and the Canadian Air Quality Program, are described below.

A. National Acid Precipitation Assessment Program (NAPAP) - The NAPAP is an interagency research program that has been underway since 1980. It is to produce, by 1990, an assessment of the causes and effects of acidic deposition. An interim report was released in September 1987 concluding that no abrupt changes are expected in water bodies, crops or forests at present levels of Sulfur Dioxide (SO₂) and Nitrogen Oxide (NO_x) emissions. The interim report also concludes that if new control technologies are introduced, SO₂ and NO_x emissions will decrease. Otherwise, SO₂ emissions are projected to remain constant or increase moderately through 2010 and then decrease, while NO_x emissions are projected to increase substantially. Administration policy has to date been consistent with the NAPAP interim assessment.

B. Innovative Control Technologies Program (ICTP) - The Innovative Control Technologies Program is an Administration initiative that emanated from the Special Envoys' report. To implement the ICTP, in April 1987 you approved an appropriations request for \$2.35 billion for the 5-year period FY 1988-92. This was to supplement the \$150 million authorized for the clean coal technology program for FY 1988. The FY 1988 CR includes a \$575 million appropriation for FY 1988-89. Full funding is anticipated in your FY 1989 budget now being prepared.

At your request, Secretary Herrington established an advisory panel, including Canadian representatives, to assist in selection of ICTP projects. The advisory panel has met and provided an initial report on factors to be considered in the first solicitation of project proposals.

C. Presidential Task Force on Regulatory Relief - You directed the Task Force on Regulatory Relief, chaired by the Vice President, to examine incentives and disincentives to the deployment of new emissions control technologies and to identify opportunities for cost-effective, innovative emission reduction measures through changes to existing regulations. The Task Force has recommended that:

- o The Department of Energy permit preferential treatment for ICTP projects, recognizing the risk inherent in demonstration of innovative technologies.
- o The Federal Energy Regulatory Commission support a 5-year demonstration program on rate incentives for innovative technologies.
- o The Environmental Protection Agency (1) encourage states to consider a variety of means for achieving ozone reductions, (2) encourage use of "bubbles" between recently built sources, (3) expand commercial demonstration permits for innovative control technologies, and (4) encourage complementary use of emissions "bubbles" and waivers for innovative technology applications.

D. Costs and Benefits of New Programs to Reduce SO₂ and NO_x - In April 1987, the Domestic Policy Council tasked an interagency group to determine costs and economic benefits of programs that might reduce emissions of SO₂ and NO_x. This group found substantial scientific and technical uncertainties in estimating SO₂ and NO_x effects, and concluded that while direct initial costs can exceed benefits at different levels of emissions reductions and under certain assumptions, the converse is true when other assumptions are made.

E. Canadian Air Quality Program and Objectives - Bilateral cooperation with Canada on air pollution goes back more than forty years. Both countries subscribe to the 1972 Stockholm Declaration which provides that States have "the sovereign right to exploit their own resources pursuant to their own environmental policies and the responsibility to ensure that activities within their jurisdiction or control do not cause damage to the environment of other States." In addition, both the U.S. and Canada are parties to the 1979 Convention on Long-Range Transboundary Air Pollution, which requires us to "endeavor to limit and, as far as possible, gradually reduce and prevent air pollution including long-range transboundary air pollution." Canada, but not the U.S., is also a signatory to a protocol under the Convention requiring a 30 percent reduction in SO₂ emissions from a 1980 actual emissions baseline.

A more detailed analysis of Canadian clean air management programs has been conducted by EPA. Major findings are:

- o Emissions sources of SO₂ in Canada are very different from the U.S., with smelters the dominant source.
- o There are significant differences in the manner in which Canadian and U.S. air quality programs are implemented.
- o Air quality standards and monitoring programs established by most Canadian provinces have achieved general air quality levels consistent with U.S. levels.
- o Canada reduced SO₂ emissions by more than 40 percent in the 1970's, and Canadian provinces subsequently agreed, with some flexibility permitted, to reduce SO₂ emissions by 1994 by 35% of actual (45% of allowable) 1980 SO₂ emissions levels.

F. Canadian Proposal For An Accord - This was raised by Prime Minister Mulroney during your April 1987 meeting. It was followed in May by a written outline of Canada's proposal, the central elements of which are:

- ceilings on transboundary flows of sulfur dioxide (SO₂) from one country to the other, to include a two million ton annual reduction of SO₂ emissions flowing into Canada;
- an agreed timetable and periodic review of compliance (the means of compliance to be left to each government);
- performance auditing by an independent body; and
- binding disputes settlement.

The Canadian proposal covers SO₂, but allows for a discussion of other emissions, such as NO_x, and is modeled after the Great Lakes Water Quality Agreement (GLWQA).

G. U.S. Response - The Bilateral Advisory and Consultative Group (BACG) met on November 30th, 1987. Prior to the meeting, you provided Secretary Shultz with instructions to have the U.S. section convey that portions of the Canadian proposal made in May are unacceptable. They were also to convey the following policy principles:

- The U.S. will build on the Special Envoys' recommendations and the measures now underway to reduce emissions, and allow sufficient time for the ICTP to be deployed;
- We will consider the state of the science, including the NAPAP interim assessment;
- We will not target emissions reductions at specific geographic areas; and,
- We require reciprocal commitments from Canada.

OPTIONS: The Domestic Policy Council developed the following options, which were discussed at its January 11 Council meeting:

Option A. Continue present programs, including implementation of the Special Envoys' recommendations and the Innovative Control Technologies Program (ICTP).

- Pro:
- o This would be consistent with NAPAP Interim Assessment suggestions that no immediate actions to reduce acidic deposition are indicated.
 - o It allows time to review the NAPAP final assessment in 1990, to resolve many remaining scientific uncertainties.
 - o It does not require legislation.

- Con:
- o This essentially rejects a bilateral accord.
 - o It rejects emissions reduction recommendations by the President's Task Force on Regulatory Relief.

Option B: Continue present programs plus commit to the administrative measures proposed by the President's Task Force on Regulatory Relief.

- Pro:
- o This is fully consistent with recommendations of the Special Envoys and the Task Force on Regulatory Relief.
 - o This is a market-oriented strategy for controlling SO₂ and NO_x emissions.
 - o It does not require legislation.

- Con:
- o An accord proposal without specific air pollution goals may be unacceptable to the Canadians.

Option B: Option B, plus specify that the U.S. is prepared to use the original general format of the 1972 Great Lakes Water Quality Agreement as a basis for an accord consistent with the U.S. principles outlined above. This would include building on the Special Envoys' recommendations, allowing time for the ICTP to be deployed, and a process for scientific and economic analyses in support of an air management strategy. It would require reciprocal commitments from Canada, and would not include quantification of air pollutant targets.

- Pro:
- o This could enhance the possibility of an accord, which could institutionalize consultations and scientific exchanges on acid rain.

- Con:
- o Could raise expectations and pressure for future negotiations for reduction targets.

Option C: Option B, plus project, and periodically review, anticipated resulting emissions levels through at least the year 2000.

Pro: o The Canadian Government may consider this to be an acceptable U.S. response on which to base an accord.
o This may not require legislation.

Con: o This will require quantification of SO₂ reductions, and will be construed by proponents of a mandatory reductions program as acknowledgement and acceptance by the Administration of the need for specified SO₂ reductions.

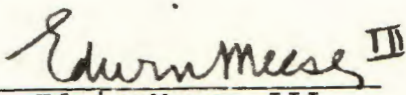
Option D: Option B, plus commit to a reduction from a 1980 base of annual emissions of 2-3 million tons by 1995; 4-6 million tons by 2000; or 6-8 million tons by 2005. If this option is chosen, emissions reductions over an agreed timetable would be monitored and audited by an independent body, and a binding disputes settlement mechanism would be established.

Pro: o This responds positively to the Canadian May proposal.

Con: o This is a major departure from U.S. acid rain policy.
o It would most likely require legislation.

RECOMMENDATION: There is unanimous Council agreement that current U.S. acid rain policy is adequate and that changes would be premature and potentially damaging to our economy. There is concern also about affecting the precarious balance that exists on this issue in the Congress. However, Council members are aware of Canadian pressure for further U.S. actions.

While consensus is to continue present programs (Option A), most Council members feel that proceeding with additional actions recommended by your Task Force on Regulatory Relief (Option B), would be consistent with their review of current efforts in this area. The Council does not recommend Option B-Expanded, and some Council members oppose it. The Council unanimously opposes Options C and D.


Edwin Meese III
Chairman Pro Tempore