

SUBJECT :
CC MASTER



bc BG

10 DOWNING STREET
LONDON SW1A 2AA

16 June 1988

From the Private Secretary

Dear Deborah,

ACID RAIN: LARGE COMBUSTION PLANT DIRECTIVE

I am writing to confirm the outcome of our conversation earlier this afternoon about the negotiating line Lord Caithness should take during the current Environment Council meeting.

It was agreed at the E(A) discussion yesterday that, subject to the overriding condition that the UK would undertake a maximum of three further retrofits, Lord Caithness could, as a final position, offer reductions in SO₂ emissions compared with 1980 of 40 per cent by 1998, 60 per cent by 2003 and 70 per cent by 2008. You reported that Lord Caithness now sought authority to agree a terminal figure of 65 per cent reduction by 2005 rather than 70 per cent by 2008.

You indicated that 65 per cent by 2005 was if anything slightly less onerous than 70 per cent by 2008 and was thought to be achievable with a maximum of three further retrofits. You also reported that Lord Caithness envisaged opening the negotiations by pressing for a figure of 60 per cent by 2005.

Following discussions with the offices of the Secretary of State for Energy and the Chancellor of the Exchequer, I consulted the Prime Minister about this proposal. She is content that Lord Caithness should, as a final position, have negotiating authority to agree a percentage reduction of 65 per cent by 2005. She has stressed however that any agreement to percentage reductions in SO₂ emissions must be made conditional on the overriding constraint that the UK would undertake a maximum of three further retrofits. She has also commented that, if the course of the negotiations permits this, she would prefer the outcome for the terminal figure under the directive to be 60 per cent by 2003 rather than 65 per cent by 2005.

I am copying this letter to Private Secretaries to members of E(A) and to Sir Robin Butler.

Yours,
Paul

(PAUL GRAY)

Miss Deborah Lamb,
Department of the Environment