PRIME MINISTER

OZONE LAYER PRESS CONFERENCE

You are to give a concluding press conference tomorrow at 11.15am in the same big hall in which you opened the Ozone Layer Conference on Sunday.

Mechanics

The conference proper is due to end at 10.45am so we shall be able to brief you in an adjacent (Nightingale) room before you return to meet the world's press.

You will be joined on the rostrum by four others. Content with this seating arrangement:

Lord Caithness	Nicholas Ridley	Yourself	B Ingham	Dr Tolba UNEP
x	x	х	х	х

I will chair the conference, call the questions and close it after 30 minutes.

Afterwards we have arranged for you to give three interviews (there will be a make-up girl available):

-	BBC World Service	Alan Whitehead
	Channel 4	Peter Sissons (who is under protection because of Rushdie; you will wish to sympathise with him)
1	ABC TV in the USA	Ted Koppel <u>down the line</u> from the USA (NB - Our Washington Embassy have very strongly pressed the claims of this programme)

We aim to conclude the interviews so that you can be back in No 10 in good time for Questions briefing at 1.00pm.

2. Substance Your purpose in holding the press conference is to: pronounce the conference as an outstanding success (as it is with 20 new signatories of the Montreal Protocol) bring it to a purposeful close tie up any loose ends for the media Subsidiary purposes should be to demonstrate your: support for Mr Ridley and his team determination to work through established institutions notably UNEP. I attach a draft speaking note (which will need to be updated tomorrow) at Annex I. Questions are likely to come under four main headings: where do we go from here? - the media will want to take the matter forward, bearing in mind the pressure groups want CFCs banned now. And the consequences of not acting effectively? what is the developed world going to do to help The Third World advance without CFCs? how green is Mrs Thatcher - there is a great deal of interest in your "conversion", as some put it, to the environmental cause; and domestic politicking designed to drive a wedge between you and Mr Ridley. nitpicking - eg over your remarks about when to buy a new fridge (on which briefing from the Department of the Environment is at Annex II). I suggest you deal summarily with nitpicking and domestic politicking, but treat seriously and persuasively your long standing interest in the environment and your determination to act on the basis of scientific evidence.

3. On when to buy a new fridge, you might usefully say (as I have briefed today) that different exhibitors upstairs gave you different advice on when ozone friendly fridges might be available. One suggested that a new model might be available within a year. In that event, you said that it might make sense for those who were in no hurry to change their fridge to wait a while. In all the circumstances this seemed to be an eminently reasonable thing to say and you are amazed that anyone should think otherwise or that the media should find it remotely newsworthy. Content? BERNARD INCHAM March 6, 1989

\$1.25m

REDUCED USE OF CFCs - GOVERNMENT POLICY AND UK INDUSTRY'S RESPONSE

The Government's policy on reducing the use of CFCs is primarily through the imposition of overall controls on their production and on the amounts available to the European Community market. This is in line with the provisions of the Montreal Protocol, and is implemented through Community legislation. Physical limits on overall consumption will tend to ensure that the particular use of a reducing supply of CFCs will be determined by market forces. To a large extent substitutes will be used where they are available, and where they are not, industry will have the incentive, through higher prices and the expectation of further restrictions to come, to press ahead with their development.

The scientific evidence which has emerged since signature of the Protocol indicates that these limits are insufficient. Our response has been two-fold. First, we have called for the Protocol to be strengthened so that world CFC emissions are cut by 85% by the turn of the century, rather than by the 50% which is currently required. Second, we have been encouraging all sectors of industry which use CFCs to reduce their consumption as far and as quickly as possible beyond the terms of the Protocol and implementing European legislation.

The greatest success has been in the <u>aerosol industry</u>. There is considerable scope here for replacing CFCs, mostly by the flammable hydrocarbons, but also using alternative technologies such as pump-action sprays and compressed air. The British aerosol manufacturers have undertaken to phase out the non-essential use of CFCs by the end of this year - it should result in a cut of at least 90% in this sector's use of CFCs. As aerosols accounted for over 60% of UK CFC use in 1986, this measure alone will result in the UK halving its total consumption by the end of 1989, rather than by 1998/9 as required under the Protocol.

In the plastic foam industries the solutions are more varied. The manufacturers of flexible foam are concentrating on recycling the CFCs used in the manufacturing process. The DTI has helped fund Hyman plc in developing a recovery plant which when fully operational should recycle close to 100% of the CFC used.

Manufactures of extruded polystyrene are moving away from the use of the controlled substances, typically using non-fully halogenated CFCs which cause only around one twentieth of the ozone depletion caused by CFCs 11 and 12. This affects such applications as the trays used to pack supermarket meat, and extruded polystyrene insulation board, which will be free of the controlled CFCs by the middle of next year. In other applications, such as egg cartons and fast-food containers, non-foam alternatives are being used.

Rigid urethane foams cause more of a problem. Here, industry efforts are concentrated on the evaluation of prospective substitute gases which it is hoped will become available in the early 1990s, reducing CFC wastage during manufacture and transport, and redesign work to reduce the amounts of CFCs used in foams.

These options are being applied by the manufacturers of domestic refrigerators and freezers, where rigid foam is used in the walls of appliances to provide both insulation and structural integrity. They are also redesigning refrigeration circuits to reduce the amount of CFCs used as refrigerants. Together, these measures are expected to produce a 45% cut in CFCs used by the domestic appliance industry before the end of next year.

Whereas the domestic refrigeration industry uses CFC12 as the refrigerant, in commercial refrigeration and air conditioning CFC22 can be used in many cases, although the different physical properties of the two mean that where CFC22 can be used, major redesign and reequipment is neccessary. This is inhibited to some extent by fears that CFC22 will in future become subject to control itself. Although it causes only 5% of the ozone depletion caused by CFC12 tonne for tonne, its increasing use, and the cuts in use of the controlled CFCs mean that it will be responsible for a growing proportion of total ozone depletion. The Government has backed the use of CFC22 in preference to CFC12 in the short to medium term, pending the development of ozone-benign alternatives, whose commercial availability is expected in the early 1990s, subject to satisfactory toxicological testing.

In the meantime, there is some scope in commercial refrigeration for the sort of "good housekeeping" measures which the domestic refrigerator manufacturers are undertaking. In addition the use of new CFCs can be reduced by the recycling of used refrigerants, as long as they are not too badly contaminated and as long as different refrigerants are not mixed. Both UK manufacturers of CFCs offer a reprocessing service: ICI have recently announced a major extension of their scheme, whereby they will collect and reprocess used refrigerants free of charge.

It has always been recognised that to cut the use of CFC 113 as a solvent would be more difficult than reducing the uses of CFCs in other sectors, and this is proving to be the case. Some CFC113 is used in dry cleaning (eg for leather and suede) but the bulk is used in precision engineering and to clean micro-processors. There is scope to increase the proportion which is collected and re-used in this process, although the relatively high cost of CFC113 means that users have been keen to do so anyway. Other possibilities for savings include cleaning some components with water, not cleaning some components at all or using alternatives such as methyl-chloroform. This last, however, is not only toxic but also damages the osone layer itself - tonne for tonne it does relatively little harm, but its large volume use in metal cleaning means that it is a significant contributor to the problem, and a potential candidate for future control under the Protocol.

Our ability to apply persuasion to users of CFC113 to reduce their consumption is constrained by the fragmented nature of the industry, and we are conscious that the general level of awareness of the issues involved is low. We are attempting to remedy this through such trade associations as exist, through the major companies for whom the bulk of the users are subcontractors and through the CFC manufacturers themselves.

The halons are a special case and are recognised as such by the Protocol. Their potential to deplete the ozone layer is from three to ten times that of CFCs11 or 12. Quantities used are small, but at the time Protocol was signed substantial growth was forecast. Their use in fire protection makes them a special case. Under the Protocol, and the implementing European legislation, they are not subject to the 50% reductions required of CFC production and use, but from 1992 they must be held down to 1986 levels.

Only a small proportion of halon emissions take place in the fighting of actual fires. The bulk of emissions takes place in training and testing exercises. We are encouraging moves towards other methods of training and testing, but as the halons behave differently from other materials, and given the safety implications, this is a process which takes time, and it is essential to have complete confidence in alternative procedures before changes are made. We are confident that the requirements of the Protocol can be comfortably met, but have not included them in our call for cuts of 85% by the turn of the century. There are no new alternatives currently in prospect. While there may be some areas where CO2 or water can be used in place of the halons, the high price of the latter means that in general they are already used only where considered essential for safety. The position will be kept under review.

The "polluter pays principle" dictates that it is generally for industry itself to bear the costs of complying with the requirements of environmental protection. There is scope, however, for financial assistance from government where the benefits of a particular project go beyond the activities of an individual firm. The DTI's support for Hyman mentioned above is a case in point, as is the Department of Transport's support for the development of techniques for testing ships' firefighting systems other than by discharge of halon.

The Department of the Environment's Environmental Protection Technology (EPT) scheme works by identifying priority ares and offering grants towards the cost of research into innovative ways of tackling pollution problems in these areas. The next priority areas for the scheme are technology aimed at reducing CFC emissions and for their cost-effective recovery from waste goods such as refrigerators and foam. The scheme will also welcome innovative ideas to limit emissions of halons in fire extinguisher testing, and to reduce emissions from the use of solvents. These new areas are scheduled for announcement at the Conference.

Department of the Environment February 1989

Gru. Affents - Acad Park