Transboundary air pollution (acid rain) remains a major challenge between the two countries. Canada's priority is to achieve a bilateral air quality accord that will establish specific emission reduction targets and timetables. The legislative amendments to the U.S. Clean Air Act currently being debated in the U.S. Congress constitute significant progress in the direction favoured by Canada. Once the amendments are passed by both Houses, Canada and the U.S. will formally begin negotiations for an air quality accord.

Overall management of the relationship is provided through frequent meetings between the Prime Minister and the President, and between Canadian ministers and their U.S. counterparts. Prime Minister Mulroney and President Bush have met five times since the President's inauguration. Consultation on the historic developments in Europe have been an important topic in recent meetings. At their last meeting in Toronto on April 10, 1990, discussions focussed primarily on a review of developments in East-West relations, and on the political changes in Europe and their implications for trans-Atlantic co-operation. On the bilateral side, the two leaders reaffirmed their commitment to the smooth implementation of the FTA and to the signing of an air quality accord at the earliest opportunity.