

**INFORMATION****ENERGY****A Community Policy for Oil and Gas (1)**

77/74

The Commission proposes a community policy in the hydrocarbons sector, which consolidates and broadens the Commission's thinking about oil and gas supply at a time when oil and gas are by far the most important elements in the Community's energy supply and when doubt and uncertainty reign about their cost and their availability.

Relations with producer and consumer countries are not specifically treated as they have already been the subject of communications to the Council.

The Council is invited to recognise and reaffirm :

- that the purpose of a Community energy policy is to guarantee a certain and lasting supply of energy under economically satisfactory conditions;
- that while other sources of energy are of growing importance, oil and gas will keep a preponderant share of the Community's energy supply;
- that the dependance on external sources has to be reduced;
- that a policy for oil and gas must be defined and implemented;
- that such a policy must be built on cooperation between consuming countries and with producing countries, cooperation in which the Community as such and the Member States intend to participate;
- that this policy must, at the Community level, find expression in a supply policy based on Community and national means of action.

Six elements of the supply policy can be highlighted :

- (1) The rational use of resources. While this is important for all raw materials, it is especially important for oil and gas which are new, for the most part, high-cost imports. The attack is two-pronged: the elimination of waste, through an extensive informative campaign and, if necessary, through direct prohibition; and the encouragement of efficiency in the utilisation of oil and gas.
- (2) The development of reliable sources of supply. The Community is now known to possess considerable oil and gas resources, onshore and offshore. These resources should be rapidly developed while observing sound economic criteria. Assistance can be given to the technical development and to the exploration activities in difficult areas.
- (3) The establishment of a sound information and consultation system for imports and exports. Information and consultation already exist for certain supply aspects, for example crude oil imports; they should be extended to cover product movements and exports, and consultation with the industries should become more comprehensive.

(1) COM(74)1961, COM(74)1962, COM(74)1964.

- (4) Downstream investment in refining, transport and Distribution.  
This is an important area where co-ordination is necessary. The Community already receives information on investment plans for three years ahead; this should be accompanied by consultation with the industry.
- (5) A price policy based on competition and transparency of costs and prices, which would reflect the real conditions of supply.
- (6) Agreed measures, which would, in case of supply difficulties, ensure that the unity of the common market shall be maintained.

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Ref. Information P-72 of the Spokesman's Group.

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