

COMMISSION OF THE EUROPEAN COMMUNITIES

COM(77) 663 final.

Brussels, 22 december 1977

PROPOSAL FOR A COUNCIL DIRECTIVE

Amending Council Directive 68/414/EEC of 20 December 1968
imposing an obligation on Member States of the EEC to maintain
minimum stocks of crude oil and/or petroleum products.

(submitted to the Council by the Commission)

COM(77) 663 final.

EXPLANATORY MEMORANDUM

1. Indigenous Community production of crude oil contributes in itself to the Community's security of supply. A deduction from the obligation to maintain stocks is thus justifiable in the case of indigenous crude oil, especially as this would also encourage increased production.
2. Council Directive 68/414/EEC of 20 December 1968 provides for an exemption of up to 15% from the stocking obligation as regards derivatives of indigenous crude oil consumed by the producer Member State.

An increased exemption is justifiable because of the present and expected increase in Community production of crude oil, mainly in the British sector of the North Sea.

3. The Commission proposal is based on three principles:
 - (a) The quantities of derivatives of crude oil produced in a Member State may be deducted from the stocking obligation of the Member State in which they are consumed.
 - (b) A minimum level of stocks (equivalent to 54 days of consumption) is to be maintained for reasons of internal security, allowing for the refineries' operational stocks. This involves an increase in the deduction from 15 to 40%.
 - (c) The normal supply flows of these crudes and products between Member States shall be maintained in the event of supply difficulties.

PROPOSAL FOR A COUNCIL DIRECTIVE OF.....

Amending Council Directive 68/414/EEC of 20 December 1968 imposing an obligation on Member States of the EEC to maintain minimum stocks of crude oil and/or petroleum products.

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community, and in particular Article 103 thereof;

Having regard to the proposal from the Commission;

Having regard to the Opinion of the European Parliament;

Having regard to the Opinion of the Economic and Social Committee;

Whereas Council Directive 68/414/EEC of 20 December 1968¹, modified by Council Directive 72/425/EEC of 19 Decembre 1977², imposes the obligation to maintain minimum stocks of crude oil and/or petroleum products equivalent to 90 days' consumption; whereas that part of internal consumption met by derivatives of petroleum produced indigenously by a Member State may be deducted up to a maximum of 15% of the said consumption;

Whereas national production of crude oil contributes in itself to the Community's security of supply; whereas the current indigenous production of crude oil and the expected increase justify an increase in the exemption from the obligation to maintain stocks amounting to up to 40% of consumption;

Whereas the supply flows of indigenous crude oil and derivatives should be maintained between Member States in the event of difficulties in the supply of crude oil and petroleum products.

¹ OJ L 308 of 23.12.1968

² OJ L 291 of 28.12.1972

3
HAS ADOPTED THIS DIRECTIVE

Article 1

- (a) The second paragraph of Article 1 of Directive 68/414 EEC shall from 31 December 1978 be replaced by the following wording :

"The quantities of the derivatives of the petroleum produced in a Member State may be deducted from the consuming Member State's storage obligation, up to a maximum of 40% of that State's consumption".

- (b) The following text shall be added after the second paragraph of Article 1 :

"The Member States shall, by 31 December 1978, take all legal regulatory or administrative measures necessary to ensure that, in the event of supply difficulties, their supplies to other Member States of indigenous crude oil and petroleum products derived from it, or from the indigenous crude of another member state, shall be maintained at the average quarterly level of the previous year. These supplies may be adjusted in accordance with decisions which have been taken at Community level".

Article 2

A second paragraph shall be added to Article 4 of Directive 68/414/EEC with effect from 31 December 1978 :

"The Member States shall calculate each year the quantities of the derivatives which may be deducted from their obligation to maintain stocks in accordance with the second paragraph of Article 1 and shall notify the Commission of these quantities and of the basis for calculation by 31 January of each year".

Article 3

This Directive is addressed to the Member States.

Done at Brussels,

For the Council

The President