COUNCIL OF THE EUROPEAN COMMUNITIES GENERAL SECRETARIAT

PRESS RELEASE

Brussels, 4 December 1979 11210/79 (Presse 154)

612th Council meeting - Energy -

Brussels, 4 December 1979

President:

Mr Desmond O'MALLEY,

Minister for Industry, Commerce and Energy of Ireland

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COAL AND COKE FOR THE IRON AND STEEL INDUSTRY

The Council examined the problems arising as regards the extension beyond 1979 and the adjustment to the present circumstances of the system of aid for coal and coke for the Community's iron and steel industry.

In the light of the Council's discussions, the Commission will submit, for the Council meeting on 18 December 1979, its draft Decision, the main aspects of which will be as follows: duration of the system: 2 years, to be financed up to an amount of 24 MEUA by contributions from the 6 Member States participating in the present system, up to 6 MEUA by the ECSC budget: and up to 17 MEUA by contributions from the industry; 15 million tonnes will be eligible for aid under this system.

UTILIZATION OF COAL

The Council heard a Commission statement of its ideas for the promotion and utilization of coal in pursuing the objective of reducing Community dependence on oil imports.

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3. To achieve an equitable burden sharing, the different economic structures of the Member States with respect to production, consumption, energy-saving potential and energy prices will duly be taken into account.

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4. The monitoring procedure will involve - if necessary an adjustment of the targets by the Council and - so far as necessary for the achievement of commitments recommendations to Member States of areas for strengthening energy policy activities leaving definition of concrete instruments to individual Member States."

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In its discussion on this point, the Council also agreed to the following scheme for a monitoring procedure in connection with the oil import targets set for 1980 and 1985:

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"In order to monitor the adequacy of national energy policies of the EEC countries with respect to the EEC energy policy decisions, and in particular the country targets established for 1980 and 1985, the Energy Council agrees on the following principles:

- A quarterly monitoring procedure will be established and focus on achievement of the 1980 import targets and on realization of the medium and long-term measures necessary to meet the 1985 targets based on a list of measures transmitted by the Member States to the Commission.
- 2. The monitoring procedure will take into account all major circumstances such as changes in growth expectancy, seasonal variations and unusual weather conditions, bunkerage and foreign refining and will be extended to assessment whether adjustment of targets and efforts is required to conform to supply prospects.

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DISTRIBUTION BETWEEN MEMBER STATES OF THE EUROPEAN COMMUNITY OF THE JOINT TARGET SET FOR 1980 OIL IMPORTS

"THE COUNCIL,

following the recommendation which four Member States made in Tokyo to their other Community partners, namely that it should be specified what the contribution of each Member State is to be to the Community's commitment to holding net Community oil imports between 1980 and 1985 to a yearly level equal to or less than that for 1978 (472 million tonnes),

confirms, in the same terms as those of the agreement recorded on 9 October 1979 concerning the distribution between Member States of the Community of these objectives for 1985:

- that the Community will ensure that this import target is achieved in 1980 taking account of the determination of each Member State to keep within the following ceilings:

Belgium	30	million	tonnes
Denmark	16.5	11	89
Germany	143	88	89
France	117	17	**
Ireland	6.5	11	19
Italy	103.5	n	† ₽
Luxembourg	1.5	Ħ	Ħ
Netherlands	42	11	11
United Kingdom	12	' 19	11
EEC	472	million	tonnes"

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Member

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Luxembourg:

Mr Jean DONDELINGER

Ambassador, Permanent Representative

Netherlands:

Mr G.M.V. van AARDENNE

Minister for Economic Affairs

United Kingdom:

Mr Norman LAMONT

Parliamentary Under-Secretary for Energy

Commission:

Mr'Guido BRUNNER

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The Governments of the Member States and the Commission of the European Communities were represented as follows:

Belgium:

Mr W. CLAES

Deputy Prime Minister, Minister for Economic Affairs

Denmark:

Mr Gunnar RIBERHOLDT

Ambassador, Permanent Representative

Germany:

Mr Otto Graf LAMBSDORFF

France:

Mr André GIRAUD

Federal Minister for Economic Affairs

Minister for Industry

Ireland:

Mr Desmond O'MALLEY

Mr Raphael BURKE

Minister for Industry, Commerce and Energy

Minister of State, Department of Industry, Commerce and Energy

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Italy:

Mr Ferdinando RUSSO

Deputy State Secretary, Ministry of Industry, Trade and Craft Trades

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R*** NOTE BIO(79)405 AUX BUREAUX NATIONAUX CC. AUX MEMBRES DU GROUPE, A M. BURGHARDT DG I ET A M. LECOMTE DG VIII E***

OBJET: PREPARATION CONSEIL ENERGIE (R. ELPHICK)

LES MINISTRES DE L ENERGIE DE LA COMMUNAUTE SE REUNIRONT DEMAIN A 10H30 POUR EXAMINER LA SITUATION ENERGETIQUE ACTUELLE. L ORDRE DU JOUR ASSEZ CONCENTRE POURRAIT **BR**ETRE ELARGI AU DERNIER MOMENT POUR TENIR COMPTE DES RESULTATS DU DEBAT SUR L ENERGIE QUI A EU LIEU AU CONSEIL EUROPEEN DE DUBLIN. AU STADE ACTUEL, LES POINTS SUIVANTS SONT A PREVOIR:

R- BEDEEREREPARTITION ENTRE ETATS MEMBRES DE L OBJECTIF COMMUN FIXE EN MATIERE D IMPORTATION DE PETROLE POUR 1980. IL EST A **BEDEE** BRAPPELER QUE L OBJECTIF GENERAL EST DE LIMITER LES IMPORTATIONS AU NIVEAU DE L ANNEE DERNIERE (472 MILLIONS DE TONNES). LES ETATS MEMBRES SONT DEJA D ACCORD SUR LA REPARTITION POUR 1985. EN CE QUI CONCERNE L ANNEE 1980, LES EXPERTS BONT PROPOSE UNE MODALITE DE REPARTITION MAIS LA FRANCE A EXPLICITE SA RESERVE EN INDI-QUANT QUE LES ETATS MEMBRES DOIVENT SE MONTRER BEAUCOUP PLUS RIGOUREUX. ELLE A ESTIME EGALEMENT QUE LA COMMUNAUTE DEVRAIT CONSIDERER LA CONSTITUTION D UNE RESERVE DE SECURITE.

E- ENPROJET DE DECISION RELATIF AUX CHARBONS ET COKES DESTINES A LA SIDERURGIE. IL S AGIT DE LA NECESSITE POUR LES MINISTRES DE PRENDRE UNE DECISION AVANT LA FIN DE L ANNEE SUR LA PROLONGATION ET L ADAPTATION DU SYSTEME ACTUEL. L ACCORD SERA SANS DOUTE DIF-FICILE ETANT DONNE QU IL N Y A ENCORE AUCUN ACCORD NI SUR LE FINANCEMENT, NI SUR LE TONNAGE ELIGIBLE ET UN ETAT MEMBRE INSISTE TOUJOURS POUR QU UNE APPROCHE GLOBALE DES PROBLEMES CHARBONNIERS SOIT EFFECTUEE.

F- EXAMEN DE LA SITUATION ENERGETIQUE. SUR CE POINT LA COMMIS-SION A DECLARE QU IL SERAIT SOUHAITABLE QUE LES MINISTRES PUISSENT PROCEDER A UNE PRISE DE POSITION COMMUNE POUR PREPARER LA PARTI-CIPATION COMMUNAUTAIRE A LA REUNION MINISTERIELLE DE L AGENCE INTERNATIONALE DE L ENERGIE QUI SE TIENDRA LE 10 DECEMBRE A PARIS.

ENFIN, SOUS DIVERS, LA COMMISSION A ANNONCE L INTENTION D INTRO-DUIRE UN RAPPORT SUR L UTILISATION DU CHARBON DANS LA COMMUNAUTE. CE PAPIER ATTIRERA SANS DOUTE L ATTENTION DES MINISTRES SUR LE FAIT QUE LA CONSOMMATION DE PETROLE DANS LES CENTR**U**ALES ELECTRIQUES ////

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POUR LES ANNEES PROCHAINES ET CE JUSQU EN 1990 A TENDANCE A S ACCROITRE ET DOIT ETRE REDUITE. NOUS PROPOSONS DE STIMULER LA CONVERSION EN FAVEUR DU CHARBON GRACE A DES AIDES D UN MONTANT DE 100 MUCE PAR AN ET CE POUR 3 ANS. (15H00)

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R*** NOTE BIO(79)405 (SUITE 1) AUX BUREAUX NATIONAUX CC. AUX MEMBRES DU GROUPE, A M. BURGHARDT DG I ET A M. LECOMTE DG VIII

SUBJECT: ENERGY COUNCIL (R. ELPHICK)

THE ENERGY COUNCIL BEGAN ITS WORK IN BRUSSELS TODAY TO DEAL WITH OUTSTANDING PROBLEMS. ALMOST IMMEDIATELY THEY RAN INTO A PROCE-DURAL DIFFICULTY IN TRYING TO GET AN AGREEMENT ON COKING COAL. THE COUNCIL FAVOURED A COMPROMISE SITUATION SUGGESTING SIMPLE CONFIRMATION OF THE PRESENT SYSTEM OF AIDS FINANCED BY THE SIX ORIGINAL MEMBERS OF THE COMMUNITY. THIS WOULD BE NO PRECEDENT BUT THE ITALIAN DELEGATION MADE IT CLEAR THAT THEY HAD DISTINCT ERESERVATIONS ABOUT A DECISION BEING TAKEN HERE AND NOW. THE COUNCIL AGREED TO TRY FOR SOME CONSENSUS DURING THE COURSE OF THE DAY.

THE MINISTERS TURNED TO THE PROBLEM OF AGREEING OIL IMPORT LEVELS FOR EACH **WEERS** MEMBER STATE FOR 1980. FOR THE COMMISSION, MR BRUNNER POINTING TO THE MEETING OF THE INT**D**ERNATIONAL ENERGY AGENCY IN PARIS NEXT MONDAY EMPHASIZED THE IMPORTANCE OF GETTING AGREEMENT HERE WITHIN THE 472 MILLION TONS IMPORT TARGET AGREED DURING THE TOKYO SUMMIT LAST SUNDAY. MR BRUNNER ALSO BOUTLINED THE COMMISSION S PROPOSAL FOR REGULAR MONITORING (QUARTERLY) OF SPECIFIC PERFORMANCE BY EACH MEMBER STATE. THIS WOULD ENABLE ADJUSTMENTS TO BE MADE AND CREATE SUFFICIENT FLEXIBILITY ALGNG THE LINES OF WHAT FRANCE HAS PROPOSED. THE FRENCH DELEGATION HAS BEEN SUGGESTING THAT TARGETS COULD BE MADE MORE RIGOROUS AND SOME SPECIAL RESERVE CREATED.

MORE LATER.

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NOTE BIU(79)405 (SUITE 2 ET FINJ AUX BUREAUX NATIONAUX CC. AUX MEMBRES DU GBBROUPE, A M. BURGHARDT DG I ET A M. LECOMTE DG VIII B***

SUBJECT: ENERGY COUNCIL (R; ELPHICK)

IN THE EVENT THE TARGETS FOR 1980 WERE AGREED BAFTER LENGTHY DEBATE TOGETHER WITH A SYSTEM OBF QUARTERLY MONITORING ON THE ACHIEVEMENT OF THESE TARGETS AND ON REALISATION OF MEDIUM AND LONG TERM MEASURES NECESSARY OT MEET 1985 TARGETS. THIS SYSTEM WOULD TAKE INTO ACCOUNT ALL RELEVANT CIRCUMSTANCES SUCH AS CHANGES ON GROWTH EXPECTANCY, UNUSUAL WEATHER CONDITIONS AND WAS DESIGNED TO ACHIEVE AN EQBUITABLE SHARING OF BURDENS. THUS THE COMMUNITY (EXCEPT FRANCE WHO ARE NOT MEMBERS) WILL BE ABLE TO GO INTO THE MEETING OF THE INTERNATIONAL ENERGY AGENCY NEXT MOBNDAY IN PARIS WITH A CREDIBLE POSITION.

CEILINGS NOW FIXED FOR 1980 ARE AS FOLLOWS: BELGIUM 30 MIDLLION TONS, DENMARK 16.5, GERMANY 143, FRANCE 117, IRELAND 6.5, ITALY 103.5, LUXEMBURG 1.5, NETHERLANDS 42, UNITED KINGDOM 12.

ASKED AT A PRESS CONFERENCE AFTERWARDS WHETHER THE COMMISSION SUPPORTED PROPOSALS FROM SOME DELEGATIONS SUGGESTING THE U.K. SHOULD BE ASKED TO STEP UP PRODUCTION IN THEIR NORTH SEA FIELDS IN CASE BOF SUPPLY DIFFICULTIES SHORT OF AN OUTRIGHT CRISIS, MR BRUNNER SAID THE SHARE OUT ALREADY WAS BASED ON REALISTIC ASSESSMENTS OF SUPPLY. IN THE CASE OF A CRISIS THERE WERE VERY DEFINITE RULES ALREADY AGREED. THE PRESIDENT IN OFFICE, MR O MALLEY, COMMENTED THAT THERE HAD BEEN A GENERALLY EXPRESSED FEELING BUT THAT THE UNITED KINGDOM HAD EXPLAINED THE IMPOSSIBI-LITY OF UPSETTING EXISTING CONTRACTUAL OBLIGATIONS AND THE PHYSI-CAL LIMITATIONS ON THEIR FREEDOM OF MOVEMENT. THE U.K. HAD ALSO EXPLAINED THAT A MAJOR PART OF THEIR NORTH SEA OIL EXPORTS (56 PERCENT) ALREADY GO TOBERE THEIR COMMUNITY PARTNERS.

COKING COAL: THE COUNCIL ALSO MADE SOME PROGRESS ON COKING COAL ----- AGREEING UNDER A GENERAL ITALIAN RESERVE TO RECOMMEND GUIDELINES TO THE COMMISSION FOR AIDS TOTALLING 47 MILLION UNITS OF ACCOUNT OVER TWO BYEARS AND COVERING 15 MILLION TONS. ESSEND-TIALLY THIS IS AN EXTEDENSION OF THE EXISTING AID (31 MILLION UNITS OF ACCOUNT) AND WILL BE SHARED AS FOLLOWS: COBAL AND STEEL COMMUNITY BUDGET 6 MEUA, STEEL INDUSTRY 17, SIX(ORIGINAL) MEMBER STATES 24. THE COMMISSION WILL NOW PREPARE A FORMAL PROPOSAL FOR THE GENERAL COUNCIL ON DECEMBER 18 WHEN THE ITALIAN DELEGATION INSISTS IT SHOULD BE DEALT WITH IN THE BEBCONTEXT OF A GENERAL STEEL PACKAGE. ////

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MR BRUNNER ALSO MADE A DECLARATION ON THE NEED FOR URGENT ACTION TO ENCOURAGE CONVERSION OF OIL FIRED POWER STATIONS TO BURN COAL. THE COMMISSION HAD PROPOSED A MODEST PROGRAMME OF 100 MEMA A YEAR OVER THREE YEARS. MINISTERS AGREED TO ASK THE PERMANENT REPRESENTATIVES TO EXAMINE THE PROBLEM.

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REGARDS, M. SANTARELLI COMEUR RANN P.P. ROBERT ELPHICK NNNN