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DOCUMENT 1-98/84

Report

drawn up on behalf of the Committee on
Energy, Research and Technology

on an energy solidarity plan to promote
the use of European coal

Rapporteur : Mr Robert MORELAND

PE 88.990/fin.

Or.En.

At its sitting of 10 October 1983, the European Parliament referred the motion for a resolution tabled by Mr SASSANO on an energy solidarity plan to promote the use of European coal (Doc. 1-792/83) pursuant to Rule 47 of the Rules of Procedure to the Committee on Energy, Research and Technology as the committee responsible and to the Committee on Budgets for an opinion.

At its meeting of 24 November 1983, the Committee on Energy, Research and Technology decided to draw up a report and appointed Mr MORELAND rapporteur.

The committee considered the draft report at its meetings of 22/23 February and 20/21 March 1984. At the last meeting it adopted the motion for a resolution by 12 votes to 1 with no abstentions. At the same time the Committee requested the procedure without debate pursuant to Rule 34 of the Rules of Procedure.

The following took part in the vote: Mrs WALZ, chairman, Mr SELIGMAN, vice-chairman, Mr MORELAND, rapporteur, Mr ADAM, Mr FLANAGAN, Mr FUCHS, Mr GAUTHIER, Mr LINKOHR, Mr NORMANTON, Mrs PHLIX, Mr PURVIS, Mr SALZER, Sir Peter VANNECK, Mr VERONESI

The opinion of the Committee on Budgets will be published separately.

The present report has been deposited on 27 March 1984.

The deadline for the tabling of amendments to this report appears in the draft agenda for the part-session at which it will be debated.

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The Committee on Energy, Research and Technology hereby submits to the European Parliament the following motion for a resolution together with explanatory statement:

MOTION FOR A RESOLUTION

on the energy solidarity plan to promote the use of coal

The European Parliament,

- having regard to the motion for a resolution tabled by Mr SASSANO on an energy solidarity plan to promote the use of European coal¹,
- having regard to its earlier Resolutions on coal policy and related matters, in particular:
 - the Resolution of 19 February 1982 on aspects and requirements of coal supplies for the European Community (RINSCHÉ report)²,
 - the Resolution of 19 February 1982 on the draft Decision of the Commission of the European Communities amending Decision No. 73/287/ECSC concerning coking coal and coke for the iron and steel industry in the Community (Doc. 1-654/81) (ROGALLA report)³,
 - the Resolution of 14 May 1982 on the role of coal in a Community energy strategy (MORELAND report)⁴,
 - the Resolution of 17 September 1982 on the encouragement of combined and power production (MORELAND report)⁵,

¹Doc. 1-792/83

²Doc. 1-662/81, OJ No. C66, 15.3.1982, p. 106

³Doc. 1-985/81, OJ No. C66, 15.3.1982, p. 104

⁴Doc. 1-204/82, OJ No. C149, 14.6.1982, p. 134

⁵Doc. 1-433/82, OJ No. C267, p. 105

- the Resolution of 29 October 1982 on demonstration projects, and that of 16 December 1983 on the conciliation procedure thereon (NORMANTON reports)¹,
- the Resolution of 12 April 1983 on the payment of financial incentives in support of certain categories of investments in the rational use of energy (PURVIS report)²,
- the Resolution of 16 March 1984 (ROGALLA report)³
- having regard to the Communication from the Commission to the Council on the working programme on solid fuels⁴,
- having regard to the Council Recommendation (83/250/EEC) of 24 May 1983 concerning the encouragement of investment in the use of solid fuels in industry⁵,
- having regard to the Council Recommendation (83/251/EEC) of 24 May 1983 concerning the encouragement of investment in the use of solid fuels in public buildings and in district heating systems⁶,
- having regard to the report of the Committee on Energy, Research and Technology and the opinion of the Committee on Budgets (Doc. 1-98/84),

¹Doc. 1-670/82, OJ No. C304, 22.11.1982, p. 263
and Doc. 1-1151/83, OJ No. C313, 16.1.1984, p. 313

²Doc. 1-1345/81, OJ No. C128, 16.5.1983, p. 34

³Doc. 1-1386/83, Minutes of Proceedings of 16.3.1984,
p. 24 (PE 89.405)

⁴COM(83) 54 final

⁵OJ L140, 31.5.83, p. 25

⁶OJ L140, 31.5.83, p. 25

1. Draws to the attention of the Council to the preamble of the Treaty establishing the European coal and steel Community in which the Community heads of state recognised 'that Europe can be built only through practical achievements which will first of all create real solidarity and through the establishment of common bases for economic development', and decided on the creation of a European Coal and Steel Community to provide such a common base,
2. Expresses concern at the slow progress towards the establishment of a Community coal policy,
3. Believes that a Community coal policy should be achieved more quickly if the Member States recognised that their interests are similar,
4. Believes a closer identity of interests can be achieved if further progress is made:
 - (a) on the development of an electricity grid across the Community,
 - (b) in a concerted effort to reduce dependence on imported energy
 - (c) in improving facilities for transporting coal across the Community
 - (d) in developing better use for the Community's coal, particularly as a substitute for oil for industrial, public and domestic use,
 - (e) with Community measures to reduce environmental pollution from existing coal-fired power stations,
5. Believes that incentives may be needed to encourage greater use of coal, that the ECSC budget should assist in this purpose and that new sources of funding will be needed for this budget,
6. Requests the Commission to examine the points made in paragraphs 4 and 5 above and to make further proposals to achieve the objectives of the Coal and Steel Community,
7. Instructs its President to forward this Resolution together with explanatory statement to the Council and Commission of the European Communities and the parliaments and governments of the Member States.

EXPLANATORY STATEMENT

1. The occasion for this report was a Motion for a Resolution tabled by Mr SASSANO on an energy solidarity plan to promote the use of European coal. Sadly, Mr SASSANO died on 1 January 1984. Mr SASSANO was not himself a citizen of one of the Community's principal coal-producing Member States. Your rapporteur believes that it was all the more to the late Mr SASSANO's credit, therefore, that he took this initiative to draw attention to the importance of European Community coal as an indigenous energy resource which must be exploited in the interests of the Community as a whole.
2. At the present, oil prices are comparatively soft. This is obscuring the medium and long-term advantages of conversion from oil to coal.
3. Meanwhile a large proportion of Community coal requirements are being met by imports from external sources. Some of these must be regarded as politically sensitive areas: for example, Eastern Europe and Southern Africa. Nor is there any guarantee that the future development of international freight charges will maintain the current favourable situation.
4. It is essential, therefore, to keep the European coal production industry in being and in a healthy state.
5. This means that mines and mining technology must be brought up to date and kept in line with the latest advances. The mining industry must not be protected from change. On the contrary, efforts must continue to make the industry as modern as possible. This the goal which the Commission explicitly set in Section III of its Working Programme on Solid Fuels published on 9 February 1983¹.

¹Communication from the Commission to the Council (COM(83) 54 final, pp.12-15)

6. Equally, there is no point in dealing with coal in isolation. The justification for urging Community action on coal is that coal is a major Community energy resource. Therefore such action must be within the context of an overall Community energy policy. As was pointed out in the NORMANTON report on demonstration projects, both the European Council and the Council of Ministers have repeatedly stated the need for such a policy, but, despite the efforts of the Commission and Parliament, it has not yet come into existence.

7. The Council's failure to act decisively in the coal sector, therefore, and its failure to agree on an energy policy can be seen as two different aspects of the same problem. This, in turn, should be seen against the background of the idea which animated the founding of the Coal and Steel Community enterprise, which was that the experience of successful cooperation should lead to countries of Europe to realise their Community interests.

8. The Coal and Steel Community as such has solid achievements to its credit, although its resources do not appear to be equal to the demands placed on it by present conditions. New sources of funding are needed for the ECSC.

9. At the moment Member States tend to be identified as coal producing or coal consuming countries. In reality there is an identity of interests - all use coal, all will need more coal by the end of the century, and all know the dangers of over-reliance on imports from imported sources.

10. Such an identity can be achieved in all Member States if Community-produced coal is placed in a more advantageous position vis-a-vis imported coal. This could be achieved with further progress on establishing a Community electricity grid, a concerted effort to reduce dependence on imported energy sources, on improving transport facilities and in developing further uses for coal. In particular Member States could examine the further potential of using coal in government institutions - e.g. hospitals and schools.

11. Meanwhile, as regards the role of coal in Community energy strategy, it is much to be regretted that a long sequence of Commission proposals have failed to be taken up by the Council. Some of these proposals have waited so long for Council decision that they were overtaken by changes in conditions.

This is not a satisfactory way of dealing with the business of the Community. In particular, it is to be hoped that this will not be the fate of the proposed regulation on the granting of Community financial support in favour of industries producing solid fuels, which has recently been the subject of the ROGALLA report.

12. Mr SASSANO's plan for a Community energy solidarity fund, which would be used to build power stations in the vicinity of coal mines, deserves to be borne in mind for future consideration if measures currently under discussion fail to achieve the desired ends.

13. The priority now is to alert the Council to the urgent need for action, and to end the indecisiveness which is undermining attempts to allow coal to play its natural role in a coherent and constructive energy policy for the European Community.

MOTION FOR A RESOLUTION (DOCUMENT 1-792/83)
tabled by Mr SASSANO
pursuant to Rule 47 of the Rules of Procedure
on an energy solidarity plan to promote the use of European coal

The European Parliament,

- A. sharing the view that the drop in oil prices caused by the current crisis in production should not induce the Member States to alter their plans, which are geared towards greater diversity of energy sources,
- B. whereas various Member States of the Community are particularly well-supplied with coal and the Community has the duty to use its own internal energy sources,
- C. whereas the use of European coal could be jeopardized by competition from outside the Community with unfavourable consequences in both the social and economic fields,
- D. whereas the Community has very extensive infrastructures at its disposal for the extraction and transport of coal,
- E. whereas in order to increase coal consumption, some Member States would be required to equip themselves with costly transport and storage infrastructures,

Proposes that:

- 1. An energy solidarity fund be set up with contributions proportional to the Gross Domestic Product of each Member State;
- 2. The Community should act to ensure that this fund is used to build power stations in the vicinity of coal mines with the participation of the European thermal engineering industry, and to reduce the cost of coal by financing plant modernization and subsidizing production;
- 3. The power produced should be made available to the Member States at the resultant cost of production;
- 4. Instructs its President to forward this resolution to the Member States of the Community and the Council of Ministers.