

European Communities

EUROPEAN PARLIAMENT

Working Documents

1983-1984

11 January 1984

DOCUMENT 1-1332/83

REPORT

on behalf of the Committee on Transport on the
proposal from the Commission of the European
Communities to the Council

(COM(83) 405 final - Doc. 1-624/83)

for a directive on fuel rationing for commercial
transport between Member States

Rapporteur: Mrs M.-C. SCAMARONI

By letter of 20 July 1983 from its Secretary-General, the Council of the European Communities requested the European Parliament to deliver an opinion on the proposal from the Commission of the European Communities to the Council for a directive on fuel rationing for commercial transport between the Member States (Doc. 1-624/83).

On 12 September 1983, this proposal was referred to the Committee on Transport.

At its meeting of 22 September 1983 the Committee on Transport appointed Mrs M.-C. SCAMARONI rapporteur.

At its meeting of 1 December 1983 the Committee on Transport considered the Commission proposal and the draft report.

At its meeting of 23 January 1984, the committee decided, by 12 votes to none with 1 abstention, to recommend that the European Parliament should adopt the Commission's proposal subject to the following amendments.

The committee then adopted the motion for a resolution by 12 votes to none with one abstention.

The following took part in the vote: Mr Seefeld, chairman; Mr Kaloyannis, vice-chairman; Mrs Scamaroni, rapporteur; Mr Baudis, Mr Buttafuoco, Mr Gabert, Mr Gatto (deputizing for Mr Ripa di Meana), Mr Gouthier (deputizing for Mr Cardia), Mrs Hammerich (deputizing for Mr Skovmand), Mr Kazazis (deputizing for Mr O'Donnell), Mr Klinkenborg, Mr Martin and Mr Vandewiele.

This report was tabled on 26 January 1984.

The opinion of the Committee on Energy, Research and Technology is attached.

The deadline for tabling amendments to this report is shown on the draft agenda of the part-session at which it will be considered.

CONTENTS

	<u>Page</u>
Amendments	5
A. MOTION FOR A RESOLUTION	9
B. EXPLANATORY STATEMENT	11
OPINION of the Committee on Energy, Research and Technology	17

The Committee on Transport hereby submits to the European Parliament the following amendments to the Commission's proposal and motion for a resolution together with explanatory statement :

Proposal from the Commission
for a Council directive
on fuel rationing for commercial
transport between the Member States

Amendments tabled by
the Committee on Transport

Text proposed by the Commission

Preamble

First to eleventh recitals
Unchanged

Twelfth recital

Deleted.

Whereas it is not necessary to include border traffic, since this can be refuelled in its country of origin, within the scope of this Directive,

Articles 1 and 2

Unchanged

Article 3

Paragraph 1

1. Member States taking rationing measures may limit refuelling on their territory by non-domestic carriers to transport operations which meet the following conditions :

- that they are transport operations between Member States and are permitted under Community measures or bilateral agreements,
- that the information required on the fuel application form, a specimen of which is contained in the Annex, is provided.

Paragraph 1

1. Member States taking rationing measures may limit refuelling on their territory by non-domestic carriers to transport operations which meet the following conditions :

- that they are transport operations between Member States and are permitted under Community measures or bilateral agreements,
- that the information required on the fuel application form, a specimen of which is contained in the Annex, is provided.

Deleted.

They may however uebar from such refuelling arrangements vehicles belonging to non-resident carriers performing border transport operations, i.e. services to destinations on their territory within 50 kilometres of the border.

Paragraph 2

Unchanged

Paragraph 3 (new)

Member States may however introduce simplified arrangements for the supply of fuel, such as the provision of weekly refuelling cards for vehicles belonging to non-resident carriers performing border transport operations, i.e. services to destinations on their territory within 50 km of the border.

Articles 4 and 5

Unchanged

Article 6

Paragraph 1

Unchanged

Paragraph 1 a (new)

'Within six months after this Directive has been adopted, Member States shall notify the Commission of the criteria on which selection with regard to the issue of fuel coupons is based as laid down in paragraph (1) of this Article.'

Paragraph 1 b (new)

'On the basis of this information and consultations within the group of delegates provided for in Article 3 of Directive 73/238/EEC, the Commission shall draw up, if necessary, appropriate proposals with a view to harmonizing the selection criteria.

In any case, each Member State shall be informed of the criteria for selection applied in the conditions laid down in paragraph (1) of this Article.'

Paragraph 2

A State intending to take the measures laid down in paragraph (1) of this Article must :

- in the case of transport operations covered by Community rules, give prior notice to the Commission, which will then hold the consultations provided for in Article 5 and address proposals on appropriate measures to the Council, which will act by a qualified majority;
- in the case of transport operations carried out under bilateral agreements, give prior notice to the Member States concerned and to the Commission, which may, at the request of those States or on its own initiative, proceed with the consultations provided for in Article 5.

A State intending to take such measures must :

- in the case of transport operations covered by Community rules, give prior notice to the Commission, which will then hold the consultations provided for in Article 5 and address proposals on appropriate measures to the Council, which will act by a qualified majority;
- in the case of transport operations carried out under bilateral agreements, give prior notice to the Member States concerned and to the Commission, which may, at the request of those States or on its own initiative, proceed with the consultations provided for in Article 5.

Articles 7 and 8

Unchanged

Annex

Unchanged

A

MOTION FOR A RESOLUTION

closing the procedure for consultation of the European Parliament on the proposal from the Commission of the European Communities to the Council for a directive on fuel rationing for commercial transport between the Member States

The European Parliament,

- having regard to the Commission proposal (COM(83) 405 final,¹
 - having been consulted by the Council (Doc. 1-624/83),
 - having regard to its resolution of 15 October 1981² (Doc. 1-249/81) and in particular paragraph 14 thereof,
 - having regard to the report of the Committee on Transport (Doc. 1-1332/83),
 - having regard to the result of the vote on the Commission's proposal,
- A. Having regard to the almost entire dependence on crude oil and petroleum products of the carriage by road of goods and passengers in the Community,
- B. Whereas supplies to the Community may be seriously jeopardized and whereas it is therefore necessary to devise immediately measures to reduce the effects of such a situation through Community solidarity,
- C. Whereas an acute supply crisis may occur suddenly and at any time and whereas the European Community must from now on be able to deal with that situation,
- D. Whereas the procedures to be followed in the case of fuel rationing must be laid down in great detail and as specifically as possible in order to be genuinely operational,
- E. Whereas in the case of a supply crisis, to whatever degree, it is essential for each Member State to comply with the principle of equal treatment for domestic and non-domestic carriers,

¹ OJ No. C 195 of 22.7.1983, p. 4

² OJ No. C 287 of 9.11.1981, p. 66 et seq.

1. Welcomes this Commission proposal, pointing out that it corresponds to the request expressly made by the Committee on Transport but is only one aspect of an overall energy-saving policy in the field of transport;
2. Hopes, however, that certain features will be reconsidered and that certain key points will be clarified;
3. Considers in particular that it is impossible automatically to exclude from these procedures frontier carriers which make up the major proportion of intra-Community transport, having regard especially to certain types of frontier transport;
4. Considers that it is necessary to make more precise the procedures relating to a case in which there is a very serious fuel rationing crisis and in particular to review the Community policy with regard to strategic stocks of crude oil and natural gas so as to make that policy more operational;
5. Requests the Council to adopt, as soon as possible and in the version amended by Parliament, the directive proposed by the Commission;
6. Requests the Commission, if the text adopted by the Council does not take into account the amendments made by Parliament, to submit to it within a period of six months a supplementary proposal to reinforce this proposal along the lines set out in this resolution;
7. Also requests the Commission to submit to it as soon as possible a proposal on fuel rationing for other modes of vehicle transport;
8. Instructs its President to forward to the Council and Commission, as Parliament's opinion, the Commission's proposal as voted by Parliament and the corresponding resolution.

EXPLANATORY STATEMENTI - GENERAL OUTLINE AND URGENT NATURE OF THE COMMISSION PROPOSAL

1. By adopting, on the basis of Mr ALBERS' report, its resolution on ways and means of effecting energy savings in the transport sector, especially paragraph 14 thereof¹, the European Parliament requested the drawing-up of an emergency plan to deal with a serious energy crisis in order to ensure the fairest distribution of fuel between the various modes of transport on the basis of Community criteria of priority.

2. The Committee on Transport must therefore express great satisfaction with the actual principle of this precautionary proposal to which it and its rapporteur on energy matters, Mr ALBERS, are particularly attached.

3. Current events remind us daily that supplies of crude oil and petroleum products to the Community may suddenly and at any time be threatened and its economic activity very seriously disturbed.

In the first place, carriage by road would be effected.

The suddenness of the crisis which might arise might prompt Member States, in the absence of national provisions, to take a defensive attitude which would soon harm their Community partners and ultimately themselves.

4. With this in mind, your rapporteur wishes to point out now the need for very specific measures to be adopted as quickly as possible in view of the seriousness of the international situation in order to deal with every situation, particularly an acute one. It is therefore necessary to adopt an appropriate stock-piling policy. To confine ourselves to counting existing stocks would be to risk grossly over-estimating the degree to which consumer countries are prepared for any crises. First of all, the way in which these stocks are presented (90 days consumption) is deceptive because they are in the main not strategic stocks but essential constituents of the logistic functioning of the petroleum industry. The latter could not function without a series of buffer stocks between the different stages

¹ Doc. 1-294/81 - OJ No. C 287 of 9.11.1981, p. 66 et seq.

of the long chain from the oil well to the consumer via ports, pipelines, ships, refineries and distributor's depots.

In addition to these instrumental stocks, the petroleum industry also has a certain level of trading stocks designed to give the necessary flexibility to absorb seasonal or random variations in demand.

In addition to these seasonal stocks there are precautionary stocks, the aim of which is to compensate for uncertain time-lags between receiving supplies (one for example to ships' being delayed) and errors in the calculation of supply and demand which, even if they are trifling, may involve large stock movements.

These functions are very different from the strategic function which stocks are supposed to fulfil elsewhere. The differences are not always made clear, and in particular the stock obligations laid down by the EEC and the IEA relate to the total volume of stocks, including instrumental and trading stock. Thus, far from guaranteeing 90 days' buffer stocks, the strategic stock created by these obligations is in fact sufficient for a few weeks at most.

II - CONTENTS OF THE COMMISSION PROPOSAL

5. First of all the Commission proposal makes a distinction between three situations on the basis of the intensity of any crisis in fuel supplies which the Community might suffer.

The first situation is that of a limited shortage of fuel, in other words a period of tension rather than one of genuine crisis.

The second situation is one which would lead to fuel rationing by one or several Member States.

The third situation is referred to as that of acute crisis with severe restrictions on domestic road traffic in the Member States.

The Commission proposes a series of measures for each of these situations.

6. In the first case, where there is no rationing, Article 2 of the Directive states that 'Member States shall guarantee non-domestic carriers access to fuel under the same conditions as those applying to domestic carriers'.

7. In the second case, assuming that one or several Member States take rationing measures, the Commission proposes that a fuel application form, a specimen of which is contained in the annex, should be submitted, enabling the vehicles of non-domestic carriers to refuel for transport operations between Member States permitted under Community measures or bilateral agreements. Non-domestic carriers performing border transport operations, in other words, services to destinations on their territory within fifty kilometres of the border, are debarred from these arrangements.

8. In the third case, that of serious crisis implying rationing by means of fuel coupons together with selective measures for the distribution of those coupons contained in Article 6, the Commission allows such selectivity on condition that it is based on 'objective criteria' and complies with 'the principle of equal treatment for domestic and non-domestic carriers'.

In addition, Member States in this situation must inform the Commission which will propose appropriate measures to the Council and, in the case of transport operations carried out under bilateral agreements, proceed with the consultations within the group of delegates provided for in Article 3 of Directive 73/238/EEC.

9. All these measures are laid down in such a way that the Member States can comply with this directive by 1 July 1984 at the latest.

III - GENERAL OBSERVATIONS ON THE COMMISSION PROPOSAL

10. The distinction between three different degrees of seriousness as regards fuel rationing seems to your rapporteur completely to correspond to the various situations with which the European Community might be confronted. It is consequently also quite logical to advocate corresponding measures.

11. Your rapporteur is however rather worried by the Commission's approach to the way in which these different situations might arise.

In its general considerations, the Commission indicates that the situation of acute crisis (third case) 'could only arise gradually', so that the Member States would be able to consult each other and decide together on the common priorities to be established.

However, our belief is that an acute crisis may, to the contrary, arise almost instantaneously and cause a panic situation with which, in the view of your rapporteur, the provisions laid down in case of serious crisis would be unable to deal. In addition, at present all conditions seem to be fulfilled for a crisis to intervene at any time. The adoption of this directive is therefore of the greatest importance, in other words the Council should adopt it as its next meeting or even perhaps at a special meeting.

IV - SPECIFIC CONSIDERATIONS

12. In the second case referred to in Article 3 of the directive (and in the last recital of the preamble) relating to the introduction of fuel rationing measures, the Commission provides that vehicles belonging to non-resident carriers performing border transport operations are debarred from refuelling arrangements.

This provision, which is acceptable at first sight, in particular so as to avoid abuses occurring, may in fact prove to be extremely harmful to certain types of border transport.

13. The Commission assumes that in the case of transport operations performed within 50 kilometres of the border it is quite possible for non-resident carriers to refuel in their country of origin. In the case of worker transport, for example, where very often a large number of businesses are served in succession, a carrier may drive several hundred kilometres within this fifty kilometre band without returning to his country of origin.

Identical situations may arise in the case of school transport and the carriage of certain goods.

It is therefore impossible to debar all border transport in view of the situation which might be created by stopping, for example, the transport of workers.

The Commission proposal must therefore be amended also to allow non-resident carriers making a journey of more than 200 kilometres outside their country of origin to refuel. In addition, as these transport operations are most often performed daily it should be possible to submit the fuel application form weekly and not each time the border is crossed.

14. The measures envisaged in Article 6 relate to the case in which there is a serious crisis and are clearly inadequate.

By acknowledging that the Member States may be selective in issuing fuel coupons, although this selectivity must be based on objective criteria and comply with the principle of equal treatment for domestic and non-domestic carriers, the Commission, it seems, is being a little rash.

When this serious crisis occurs it will certainly be difficult to discuss the objectivity of selection and the question arises whether it would not be possible for each Member State to notify the Commission immediately of the principles of such selectivity, since in each country provisions have been laid down to deal with an acute crisis.

15. On the basis of this information the Commission might be able to attempt to harmonize the principles of Community selectivity or at least to reach an approximation of the provisions which would be taken by the various Member States.

In addition, an exchange of information between the Member States of the Community would also make it easier, in any case, to take decisions at national level. This condition that there should be reciprocal knowledge of the principles of selectivity is essential in order to deal in a realistic and concrete way with an extremely serious situation in connection with fuel supplies.

Here, too, it is necessary therefore to amend the Commission's proposal to make it more operational, although the Committee on Transport is quite aware of the practical difficulties of this measure.

16. In conclusion, your rapporteur wishes to recall that this Commission proposal relates only to commercial transport operations and it is therefore necessary to submit as soon as possible the second part of an emergency plan to deal with a serious energy crisis as regards other vehicular transport, particularly business travel and tourism.

OPINION OF THE COMMITTEE ON ENERGY, RESEARCH AND TECHNOLOGY

Draftsman: Mr S. FLANAGAN

At its meeting of 30 September 1983, the Committee on Energy, Research and Technology appointed Mr FLANAGAN draftsman of the opinion for the Committee on Transport.

The committee considered the Commission's proposal at its meeting of 2 December 1983 and the draft opinion on 24 January 1984. At the latter meeting, the opinion was adopted unanimously.

The following took part in the vote: Mrs Walz, chairman; Mr Seligman, vice-chairman; Mr Flanagan, draftsman; Mr Adam, Mr Bernard, Mr Calvez (deputizing for Mr Pintat), Mr K. Fuchs, Mr Gauthier, Mr Linkohr, Mrs Lizin, Mr Sälzer, Mr Vandemeulebroucke, Mr Veronesi and Mrs Viehoff (deputizing for Mr Rogalla).

BACKGROUND

1. In the light of the ALBERS report on energy savings in the transport sector¹, Parliament proposed that an emergency plan be drawn up with a view to ensuring a rational and fair distribution of fuels between the various transport sectors in the event of a serious supply crisis.
2. In the present proposal, the Commission has only partly followed up this proposal since the directive covers only the commercial carriage of goods and passengers by road between the Member States in the event of a serious supply crisis.
3. The directive is intended for situations in which one or more Member States are compelled to introduce fuel rationing, to ensure equal treatment for consumers and to prevent unfair competition.

REMARKS

4. The prevention of the development of any serious supply crisis has been the main objective of Community energy policy since the first oil crisis in 1973-74. This Committee has consistently supported the Commission's endeavours in this respect. However, it is generally recognised that a considerable number of the proposals envisaged, particularly as regards investment, are costly. Far too many energy policy proposals have come to nothing in the Council of Ministers for the same reason.
5. Although the Community has grown considerably less dependent on imported oil and its derivative products since the 1973-74 oil crisis - largely as a result of its own North Sea production, energy savings and the economic recession - the tentative recovery of certain European economies has already been reflected in an increase in oil imports. This alone demonstrates the vulnerability inherent in the supply situation in addition to the fact that the worst conceivable situation, a total embargo, could become a reality from one day to the next.

¹ Doc. 1-294/81, OJ No. C 287, 9.11.81, p. 66 ff.

6. The European Community has, it is true, undertaken to maintain minimum stocks of 90 days' supply and, in conjunction with the members of the IEA, to maintain stocks equivalent to 90 days' oil imports.

However, should a serious supply situation arise, particularly the imposition of an embargo, transfrontier transport would in all probability be affected relatively swiftly. It may be expected that other national needs would receive priority fuel allocation. Your draftsman doubts that the proposed directive would have any effect except possibly when a shortage developed slowly and predictably, though even here a panic situation would arise with resultant hoarding.

7. As indicated, the Community must prevent shortages arising as far as possible, principally by means of the following measures:

- (a) promoting its own fuel production
- (b) substituting other fuels for oil where possible
- (c) using energy rationally and encouraging energy saving
- (d) increasing preparedness
- (e) maintaining stable relations with OPEC and other oil-exporting countries.

8. In conjunction with these primarily energy policy measures, more intensive work should be carried out in general on:

- (a) improving fuel efficiency
(research has hitherto focused on private vehicles in particular)
- (b) a more rational organization of transport
(efficiency per kilometre)
- (c) alternative forms of transport (rail and waterways)

The Proposed Directive

9. The proposal clearly defines the rules of the directive and the provisions for its application but leaves a number of questions partly unanswered. There are a large number of conceivable situations which could arise as a result of a shortage and render the directive ineffectual. For example:

- (1) what kind of transfrontier transport is considered necessary i.e. what are the priorities whereby the right to fuel coupons would be allocated under the directive?

Problem: By astutely formulating the criteria for 'necessary transport', a Member State could effectively discriminate in favour of its own transport companies.

- (2) could not the same objective (equal treatment) be attained by simpler means?

Problem: Fuel distributors and drivers would have to undergo additional formalities at borders. Does the directive create a situation other than that which would have arisen without a directive, i.e. 'first-come-first-served'.

- (3) how would the border authorities issuing the coupons assess the daily or weekly requirement for each individual border post?

Problem: Could transport undertakings in the peripheral regions of the Community be assured of sufficient fuel to cover their operations?

- (4) how would abuse of the system be avoided?

Problem: Trade in coupons and fuel emerging.

- (5) the directive presupposes a system of rationing by quantity.

Problem: National regulations might well provide for a ban on driving on certain days or other measures.

- (6) the directive does not distinguish between typical European transit areas and other areas.

- (7) the directive does not appear to take account of the rather lengthy checks which central authorities would inevitably exercise and the need for flexibility required by the transport companies and the border authorities responsible for issuing coupons.

Conclusion

10. Your draftsman is not convinced that the practical application of the directive would prevent discrimination in favour of national transport companies or otherwise provide for equal treatment in any country where there was rationing. The provisions governing the application of the directive would seem to be unnecessarily bureaucratic, inflexible and in practice unverifiable in a situation which is difficult per se and which could be expected to change constantly. The provisions could seemingly be applied only in a permanent, static period of fuel shortage which was expected to last some time, i.e. in cases where completely different methods would have to be used.

The committee must therefore urge that consideration be given to more flexible and practical arrangements.

