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DOCUMENT 1-1315/82

Report

drawn up on behalf of the Committee on Energy and Research

on the proposal from the Commission of the European Communities to the Council (Doc. 1-600/82 - COM(82) 491 final) for a directive on crude oil savings through the use of substitute fuel components in petrol and on Community legislation on the use of alcohol in petrol

Rapporteur: Mr P. VERONESI

By letter of 9 September 1982, the President of the Council of the European Communities requested the European Parliament to deliver an opinion on the proposal for a Council directive on crude oil savings through the use of substitute fuel components in petrol.

On 11 February 1982, Mr MORELAND tabled a motion for a resolution, pursuant to Rule 47 of the Rules of Procedure, on Community legislation on the use of alcohol in petrol.

On 15 September 1982, the President of the European Parliament referred this motion for a resolution to the Committee on Energy and Research as the committee responsible and to the Committee on Economic and Monetary Affairs and the Committee on the Environment, Public Health and Consumer Protection for opinions.

On 23 September 1982, the Committee on Energy and Research appointed Mr P. VERONESI rapporteur, instructing him to draw up a joint report on the Commission's proposal and the motion for a resolution.

The committee considered the Commission proposal and the draft report at its meetings of 2 November 1982, 26 January 1983 and 16 February 1983.

At the last meeting the committee decided by 8 votes to 1 to recommend Parliament to approve the Commission proposal with the following amendment.

The Commission informed the committee that it was prepared to accept the amendment.

The committee then decided to propose to Parliament the application of the procedure without debate provided for in Rule 34 of the Rules of Procedure.

The committee then unanimously adopted the motion for a resolution as a whole and the explanatory statement.

The following took part in the vote: Mr Gallagher, acting chairman; Mr Seligman, vice-chairman; Mr Veronesi, rapporteur; Mr Adam, Mr Galland, Mr Markopoulos, Mr Moreland, Mr Protopapadakis and Mr Salzer.

The opinions of the Committee on Economic and Monetary Affairs and the Committee on the Environment, Public Health and Consumer Protection are attached.

CONTENTS

| | <u>Page</u> |
|--|-------------|
| AMENDMENT TO THE COMMISSION'S PROPOSAL | 5 |
| A. MOTION FOR A RESOLUTION | 6 |
| B. EXPLANATORY STATEMENT | 8 |

Annex: Motion for a resolution, Doc. 1-1004/81

- Opinion of the Committee on Economic and Monetary Affairs

- Opinion of the Committee on the Environment, Public Health
and Consumer Protection

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

- I. Proposal from the Commission to the Council for a directive on crude oil savings through the use of substitute fuel components (COM(82) 491 final)

Amendment tabled by the Committee on Energy and Research

Text proposed by the Commission of the European Communities

Preamble and recitals unchanged

Amendment No. 1

Article 1

Member States shall ensure consumer protection such that significant variations in the calorific value of blended fuels relative to unblended fuels are reflected in the price charged at the pump to the general public.

Member States shall take all such steps as may be necessary to ensure that there are no legal or administrative obstacles on their respective territories to the production, sale, distribution and use of petrol blends containing organic oxygenates as substitute fuel components which are in conformity with the technical annex. Such blended fuels must be usable safely and with similar performance to current petrol by vehicles propelled by spark-ignition internal combustion engines currently in use or being offered for sale without requiring any modification to such vehicles.

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 crude oil savings through the use of substitute fuel components in petrol and on Community legislation on the use of alcohol in petrol

The European Parliament,

- having regard to the proposal from the Commission to the Council (1),
- having been consulted by the Council pursuant to Article 235 of the EEC Treaty (Doc. 1-600/82),
- having regard to the motion for a resolution tabled by Mr MORELAND (Doc. 1-1004/81),
- having regard to the report of the Committee on Energy and Research and the opinions of the Committee on Economic and Monetary Affairs and the Committee on the Environment, Public Health and Consumer Protection (Doc. 1-1315/82),
- having regard to the result of the vote on the proposal from the Commission,
- having regard to the various resolutions of the Council, particularly those on:
 - energy savings,
 - reducing dependence on crude oil imports,
 - diversification of the geopolitical areas from which supplies of raw materials for energy production are obtained,

(1) OJ No. C 229, 2.9.1982, p. 4 ff

- **whereas**

- (a) any contribution towards reducing dependence on crude oil imports should be given due consideration,
 - (b) in a number of cases, including that covered by this directive, the blending of substitute fuel components with petrol does not involve complex technical and administrative problems regarding their use,
 - (c) on the contrary, the use of such blends has the advantage of reducing pollution of the environment,
 - (d) it is necessary to establish a Community legal framework as a point of reference for producers and consumers of these blends,
1. Approves the proposal for a directive and recognizes that it provides an initial response to the question raised by Mr Moreland;
 2. Calls on the technical services of the Community to explore further the possibilities for valid and feasible developments in this area;
 3. Calls on Member States, where the necessary provisions do not exist, to take steps for the protection of the consumer, so that significant variations in the physical properties of blended fuels are reflected in prices charged at the pump to the general public;
 4. Calls on the Commission to monitor the application of the directive in order to study its real impact and effects;
 5. Asks to be informed of the results of this study and of any further developments in this direction.
 6. Instructs its President to forward to the Commission and Council the proposal from the Commission as voted by Parliament and the corresponding resolution as Parliament's opinion.

EXPLANATORY STATEMENT

1 The proposal from the Commission to the Council for a directive on the use of substitute fuel components in petrol is a timely one and deserves the support of the European Parliament.

2. The justification for adopting this position is clear: the directive falls within the framework of Community policy on:

(a) reducing the Community's dependence on crude oil imports, which account for 80% of consumption,

(b) geopolitical diversification of energy supply sources.

3. The provisions proposed are the result of a wide-ranging study by the 'Special Group on Alternative Fuels' which relates to vehicles with spark-ignition internal combustion engines.

4. The substitute fuel components in question are methanol and ethanol, though with the emphasis on the former, which can be imported under acceptable market conditions.

5. The aim of the directive is to establish a Community-wide legal framework which will ensure that:

(a) the oil and motor industries have a guaranteed point of reference for investments in the production and use of petrol blends containing substitute fuel components;

(b) the existing or future legislation of the individual Member States does not impede the production, sale, distribution and use of blends covered by the directive;

(c) Community motorists are protected against damage caused by the use of unsuitable blends.

6. The blends proposed

(a) offer the guarantee of:

- high performance

- safety and protection of the environment due to the reduced level of pollution from the combustion products

(b) require a number of special adjustments to the storage system

(c) require no adjustments to be made to vehicles.

7. While recognizing that much research remains to be done in this field and that the directive should be seen as a starting point for further studies and research into other possibilities, the rapporteur proposes that the proposal for a directive be approved.

MOTION FOR A RESOLUTION

DOCUMENT 1-1004/81

tabled by Mr MORELAND

pursuant to Rule 47 of the Rules of Procedure

on Community legislation on the use of alcohol in petrol

The European Parliament,

- having regard to the corrosion of vehicle fuel supply systems and other vehicle operating problems caused by the excessive use of alcohol in petrol,
 - having regard to the desirability of the free movement of vehicles between countries,
 - having regard to research being undertaken by the European Community and its Member States and by the United Nations Economic Commission for Europe on the use of alcohol in petrol.
1. Requests the Commission to propose Community legislation on Oxygenate fuel blends with maximum limits on the use of alcohol and methanol in the context of maintaining other fuel properties;
 2. Requests the Commission to examine what changes in fuel properties are necessary to allow for the safe and increased use of alcohol in petrol and to determine whether further regulatory action will be necessary.

Justification: Certain supplies of petrol being distributed in the Community have a level of alcohol content which could be detrimental to the fuel supply systems of many vehicles.

OPINION

(Rule 101 of the Rules of Procedure)

of the Committee on Economic and Monetary Affairs

Draftsman : Mr F. HERMAN

On 20 October 1982 the Committee on Economic and Monetary Affairs appointed Mr F. HERMAN draftsman.

At its meeting of 4 November 1982 the committee considered the draft opinion and adopted its conclusions unanimously.

The following took part in the vote : Mr MOREAU, chairman; Mr HERMAN, draftsman; Mr BEAZLEY, Mr BONACCINI, Mr DE FERRANTI, Mr DELOROZOY, Mrs DESOUCHES, Mr LEONARDI, Mr MIHR, Mr NIELSEN (deputizing for Mr DE GUCHT), Mr PAPANTONIOU, Mr PURVIS (deputizing for Sir Brandon RHYS-WILLIAMS), Mr ROGALLA (deputizing for Mr RUFFOLO), Mr von BISMARCK, Mr WAGNER, Mr WEDEKIND (deputizing for Mr SCHNITKER) and Mr WELSH.

1. Not being in a position to assess the merits of the technical annex and assuming that the objectives of the draft directive are sound, our committee would like the Committee on Energy and Research to ask the Commission to provide a justification, or at least to give an account of the opinions or expert reports on which it based the technical annex.

2. The Committee on Economic and Monetary Affairs endorses the energy and industrial policy aims of the proposal for a directive. It is right, as the Commission proposes, to lay down technical specifications for the composition of motor fuel, which affects consumers as well as the oil and motor industries in their investment decisions, and to prevent a situation where varying national legislation on fuel blends could give rise to technical barriers to trade in these new products. The proposal for a directive also seems to solve the problems raised in the motion for a resolution regarding the sale of petrol with an excessively high alcohol content (Doc. 1-004/81).

The Committee on Economic and Monetary Affairs considers that these aims correspond to the wishes of Parliament and are in perfect conformity with the fundamental principles of the Community's energy strategy as defined by the Commission (COM(81) 540 final) and approved by the Council. It would, however, draw the attention of the committee responsible to the fact that the Commission document does not state the reaction of the parties concerned to the Commission's proposal.

3. However, the Committee on Economic and Monetary Affairs would question whether simply to eliminate the legal or administrative obstacles is sufficient to encourage the use of substitute fuels and whether we should not make provision for active promotion either through taxation or through publicity.

Only if substitute fuels clearly have the edge in terms of price so as to compensate for their real or supposed disadvantages can we hope for a genuine reduction in the consumption of imported hydrocarbons. A promotion and information campaign for consumers is also called for to dispel certain stubborn prejudices.

4. Although this is a general problem which arises in connection with other directives too, the Committee on Economic and Monetary Affairs would like to stress that, in regard to the procedure provided for under

Article 6, it seems unnecessary to impose a decision-making procedure in accordance with Article 148(2) of the Treaty on technical matters, given the consultative nature of the Committee's powers. There is no prima facie reason why a decision as to whether a certain product is a good substitute fuel should be reached by a qualified, weighted majority, particularly as it is the Commission which makes the proposals and the Council which decides in the final analysis and these two institutions offer sufficient guarantees that national interests will be protected. We would therefore suggest that Article 6 be amended so as to delete the last sentence of paragraph 1 of the Article. The Committee on Economic and Monetary Affairs is however aware that this question must be considered in a more general light and it will do so at a later date.

OPINION

of the Committee on the Environment, Public Health and Consumer Protection

Draftsman: Mrs VAN HEMELDONCK

On 1 October 1982 the Committee on the Environment, Public Health and Consumer Protection appointed Mrs Van Hemeldonck draftsman.

The committee considered the draft opinion at its meetings of 20 and 26 January 1983. It adopted the conclusions unanimously on 26 January 1983.

The following took part in the vote: Mr Collins, chairman; Mrs Van Hemeldonck, draftsman; Mr Alber, Mr Bombard, Mr Ghergo, Mrs Maij-Weggen (deputizing for Mr Del Duca), Mrs Pruvot (deputizing for Mr Nordmann), Mrs Schleicher, Mrs Scrivener, Mrs Seibel-Emmerling, Mr Sherlock, Mrs Spaak and Mrs Squarcialupi.

1. The Committee on the Environment, Public Health and Consumer Protection believes that this proposed directive is a positive step towards the creation of an alternative energy strategy for the European Communities. The committee thus approves the object of the directive, i.e. : to provide a minimum framework for investment decisions regarding the production and use of petrol blends containing substitute fuel components; to ensure that motorists are provided with clear, basic information; and to prevent trade restrictions with respect to the production, sale, distribution and use of these petrol blends.

2. The committee welcomes the idea per se of petrol saving in spark-ignition internal combustion engines, particularly where the aim is to anticipate developments. Nevertheless, to avoid having to deal with consequences for the environment and consumer protection after the event, a number of points in the proposal should be given greater emphasis.

3. The committee first of all looked at the range of substitute fuel components that could be used to save petrol in spark-ignition internal combustion engines. As well as believing that everything possible should be done to design engines that ensure optimum fuel consumption, the committee also thinks the study of production techniques should cover not only the obvious candidates - methanol and ethanol - but also other organic oxygenates (which include TBA (tertiary-butyl alcohol), MTBE (methyl tertiary-butyl ether) isopropyl alcohol, secondary butyl alcohols and certain other compounds of the alcohol and ether classes, all with boiling points below 250°C) that could be used as substitute fuel components. The committee is however aware that industrial production of these substances requires the fractionating of crude petroleum or the cracking of the resulting petroleum fractions.

4. In this connection, the committee wonders what use is being made, or can be made, of these other oxygenates. If the prospects are favourable, the committee thinks it goes without saying that the existing directives (Seveso directive, environmental impact reports, the characteristics of dangerous substances and the adoption of safety precautions for their storage, transport and use) should be applied in both the spirit and the letter and that potential users should be provided with the necessary information.

5. Methanol is produced industrially from a synthesis gas comprising CO and H₂. To do this, the base material (hard coal, lignite, gas or oil residue) is heated in an oxygen-free atmosphere. Another method is the dry distillation of biomass (wood waste, etc.) through applying heat in an oxygen-free atmosphere

to the base material, thereby carbonizing the biomass and causing a mixture of gases to be released. This mixture can be separated by distillation into methanol (1-3%), acetic acid (10%), acetals (0.5%) and a high proportion of water. The industrial production of ethanol is based on the fermentation of starch (from cereals, potatoes, maize, etc.), a long and expensive process, or on synthesis involving the hydration of ethylene, which suffers from the disadvantage that ethylenes are obtained by cracking petroleum, so that the problem of dependence on petroleum crops up again.

6. The committee notes here that the production costs of ethanol and methanol differ widely. The cost of ethanol produced in the countries of the Community is fairly high mainly because certain production technologies are still in the research stage.

7. With respect to the production of ethanol and methanol within the Community itself, the committee wonders how realistic the Commission's proposal is in practice in view of the Commission's own caveats : it says that 'present methanol and ethanol production in the Community could replace only a negligible proportion of conventional petrol', notes that the replacement of 10% of petrol demand by ethanol from indigenous Community resources by 1990 would require an area of land the size of the Benelux countries, and stresses that the expansion of methanol production would necessitate the development of a new industry in the Community.

8. So, in view of the rather limited potential for the production and use of ethanol and methanol, the Commission should keep up its research into other possible substitute fuel components.

9. The committee meanwhile believes that the use of methanol or ethanol as substitute fuel components in petrol would improve safety, as this could lower the boiling point of the blend and hence enable the lead content of petrol to be reduced. The committee regards such a proposal as a step in the right direction towards the introduction of lead-free petrol in the near future.

10. Apart from the establishment of technological standards to be met by petrol blended with organic oxygenates, particularly with respect to the specific properties of such petrol such as its water tolerance, hygroscopicity, materials compatibility, and harmful impurities, including organic-acid content, lead content, etc., research should also be directed towards excluding any new or bigger risks which could be created by new blends.

CONCLUSION

11. In view of the above comments, the committee recommends approval of the present proposal which is aimed at the use of substitute components in petrol. This would help to diversify and reduce the Community's energy dependence while at the same time bringing about a considerable reduction in the lead content of petrol.

12. The committee therefore also urges the Commission to encourage study and research into the improvement of the technology involved in the production and use of substitute components in order to make it and the use of petrol less expensive.

