



COUNCIL OF THE EUROPEAN COMMUNITIES  
GENERAL SECRETARIAT



PRESS RELEASE

10237/85 (Presse 167)

1039th meeting of the Council

- Energy -

Brussels, 11 November 1985

President: Mr Marcel SCHLECHTER  
Minister for Energy  
of the Grand Duchy of Luxembourg

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

Belgium:

Mr Etienne KNOOPS State Secretary for Energy

Denmark:

Mr Knud ENNGAARD Minister for Energy

Germany:

Mr Martin BANGEMANN Federal Minister for Economic Affairs

Greece:

Mr Lefteris VERYVAKIS Minister for Energy

France:

Mr Martin MALVY State Secretary attached to the Minister for Industrial Reorganization and Foreign Trade, with responsibility for Energy

Ireland:

Mr Dick SPRING Deputy Prime Minister and Minister for Energy

Italy :

Mr Bruno ORSINI State Secretary, Ministry for Industry

Luxembourg:

Mr Marcel SCHLECHTER

Minister for Industry

Netherlands:

Mr F. BOLKESTEIN

State Secretary,  
Ministry of Foreign Trade

United Kingdom:

Mr Peter WALKER

Secretary of State  
for Energy

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Commission:

Mr Nicolas MOSAR

Member

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The following also attended as observers:

Spain:

Mr Joan MAJO

Minister for Industry

Portugal:

Mr Julio MASCARENHAS

Minister-Counsellor

PROGRAMME OF SUPPORT FOR TECHNOLOGICAL DEVELOPMENT IN THE  
HYDROCARBONS SECTOR AND PROGRAMME TO PROMOTE, BY THE  
GRANTING OF FINANCIAL SUPPORT, DEMONSTRATION PROJECTS  
AND INDUSTRIAL PILOT PROJECTS

At its previous meeting on 20 June 1985 on energy questions, the Council had an opportunity to make clear the importance it attached to the continuation of current projects in these two sectors, via existing programmes, for a further period as a back-up to the Community energy strategy. To this end, the Council also evolved guidelines on several key issues concerning the dossiers concerned.

The discussions carried out enabled the Council to work out a common position on these two dossiers at this meeting.

As regards support for technological development in the hydrocarbons sector, originally implemented in 1973 and designed to improve the Community's security of supply, a programme is now planned to cover the period from 1 January 1986 to 31 December 1989.

As regards demonstration projects and industrial pilot projects, the initial programmes for which were adopted in 1978, the common position provides for a further programme, also for the period from 1 January 1986 to 31 December 1989.

The financial support proposed for this programme for the purpose of stepping up energy saving and reducing oil consumption and imports is intended to promote

- demonstration projects relating to the exploitation of alternative energy sources, to energy saving and to the substitution of hydrocarbons;
- industrial pilot projects and demonstration projects relating to the liquefaction and gasification of solid fuels.

SUBSTITUTE FUEL COMPONENTS

The Council signified its agreement to the proposal for a Directive on crude-oil savings through the use of substitute fuel components in petrol.

This Directive, which will be formally adopted as soon as possible, stipulates that Member States are to bring into force the laws, regulations and administrative provisions required to comply with this Directive by 1 January 1988 at the latest.

The agreement reached testifies to the pursuit of a strategy to reduce the Community's dependence on imports of crude oil.

The quantity of crude oil used in the manufacture of petrol for spark-ignition vehicles can be reduced through blending hydrocarbon petrol with substitute fuel components. Moreover, the latter can be produced from raw materials other than crude oil.

The distribution and use of petrol blended with substitute fuel components require no, or only minor, modifications to existing petrol-distribution systems, and no modification to existing vehicles propelled by spark-ignition engines designed to run on petrol.

Finally, the distribution and combustion of blends as defined by the Directive carries no safety, health or environmental risks different from those of petrol currently sold to motorists in the Community.

COMMISSION COMMUNICATION TO THE COUNCIL ON NEW COMMUNITY ENERGY OBJECTIVES

The Council held a full discussion of some key questions relating to these objectives, without prejudice to the Opinion awaited from the European Parliament and that which has just been given by the Economic and Social Committee.

It instructed the Permanent Representatives Committee to expedite this work, in order that a draft Resolution might be submitted to the Council at its next meeting on energy.

In order to facilitate subsequent work on this dossier, the President evolved the following guidelines in the light of the discussions:

1. Nature of the objectives

- A. These objectives will be guidelines for Community action and national policies and will provide significant guidance for energy producers and consumers in the Community.
- B. While providing an ambitious reference framework, they must be sufficiently flexible to permit of response to changes which might affect the energy market.

2. Presentation of the objectives

A. It is acknowledged that as in the past, certain quantified objectives, carefully selected in the light of the sectors to which they are to apply and concerning the Community as such, are useful on the same basis as objectives of a more qualitative nature.

B. These quantified objectives will be expressed in a fairly flexible manner in terms of orders of magnitude rather than in absolute values so that they can be adjusted to substantial changes on the energy markets.

3. Differentiation of objectives

A. A distinction will be made between horizontal objectives and sectoral objectives.

B. With regard to sectoral objectives:

(a) they will cover:

- more efficient use of energy
- oil
- natural gas
- solid fuels
- electricity generation
- new and renewable energies.

(b) in the course of preparations for the next Council meeting, suggestions made on a number of them at the present Council meeting will be taken into account.

4. Monitoring

- A. The above objectives will constitute the necessary reference points for the Commission in its regular examination of progress achieved in each Member State and at Community level and the problems encountered in the pursuit of these objectives.
- B. In this examination, the Commission will, in the light of the steps taken, have regard to the possibilities and constraints specific to each Member State.
- C. The examination will be carried out in the framework and in accordance with the procedures defined by the Council meeting on 13 November 1984 on energy questions.
- D. It is acknowledged that it is desirable to step up the dialogue between the Commission and each Member State under review at the various stages of examination of national policies; this could be accompanied by suggestions for additional measures and specific recommendations considered appropriate by the Commission.



SOLID FUELS

The Council agreed to hold a meeting early in 1986 to discuss the various aspects of the solid fuel policy, including different ways and means of taking action in this area.

Without prejudice to the forthcoming discussion, the Council considered the following aspects at this meeting:

COAL AND COKE FOR THE IRON AND STEEL INDUSTRY IN THE COMMUNITY

The Council held an exchange of views on the proposal for a Commission Decision (ECSC) on the arrangements for coal and coke for the iron and steel industry in the Community and on the eligible tonnage for 1986.

In this connection it defined its position and noted that the Commission intended to send it, for assent, a fresh proposal for a Decision (ECSC) which took account of the points which had emerged during this discussion, viz. the fixing of the eligible tonnage for 1986 at 8,5 million t.

COMMUNITY RULES FOR STATE AIDS TO THE COAL INDUSTRY

The Council held an initial policy debate on the new Community rules for State aids for the coal industry, which are intended to replace the arrangements currently in force introduced by Decision No 528/76/CECA and expire on 31 December 1985. The Commission has requested the Council's assent on these new rules pursuant to Article 95(1) of the ECSC Treaty.

It instructed the Permanent Representatives Committee, following the guidelines agreed during the debate, to continue intensive discussions on the definition of the new arrangements as soon as possible.

Pending this definition, the Council agreed a common position, subject to possible consultations with the Portuguese delegation, to give its unanimous assent to a second proposal for a Commission Decision (ECSC) on the temporary extension, until 1 July 1986, of the present arrangements applicable to financial assistance for the coal industry.

SOCIAL ASPECTS: COAL

The Council discussed the proposals for Council Decisions concerning contributions to the ECSC from the general budget of the Communities to finance measures connected with the restructuring of the coal industries.

The Council concentrated more particularly on the section of the proposals concerning a transfer for the financial year 1985.

The Council instructed the Permanent Representatives Committee to pursue its discussions on this matter in line with the points made during the debate.

REFINING

The Council again discussed the situation of the refining industry from the twofold aspect of trends in internal structures and imports of oil products.

It noted that progress was being made in other major industrialized countries as regards policies for imports of refined products from countries which had recently started to export.

The Council asked the Commission to continue its close monitoring of the trends in this sector and of the question of imports of oil products from third countries, and to report back as soon as possible.

EURATOM LOANS

The Council examined the proposal, the aim of which is to increase the total amount of Euratom loans which the Commission is empowered to contract for the purpose of contributing to the financing of nuclear power stations. At the close of the discussion the Council considered that from the point of view of energy policy, the increase from 2 000 to 3 000 MECU in EURATOM loans, as proposed by the Commission, was desirable.

It reserved the final decision on this Commission proposal for the ECO/FIN Council.

MISCELLANEOUS DECISIONS

Customs union

The Council adopted, in the official languages of the Communities, the Regulations opening, allocating and providing for the administration of Community tariff quotas (1986) for:

- rosin, including "brais résineux", falling within subheading 38.08 A of the Common Customs Tariff, viz.: (Benelux: 1 710 tonnes; Denmark: 180 tonnes; Germany: 2 445 tonnes; Greece: 2 tonnes; France: 762 tonnes; Ireland: 50 tonnes; Italy: 303 tonnes; United Kingdom: 2 148 tonnes; reserve: 400 tonnes),
- raw silk (not thrown) falling within heading No 50.02 of the Common Customs Tariff, viz.: (Benelux: 1 tonne; Denmark: 1 tonne; Germany: 200 tonnes; Greece: 2 tonnes; France: 800 tonnes; Ireland: 1 tonne; Italy: 6 000 tonnes; United Kingdom: 200 tonnes; reserve: 435 tonnes),
- yarn, entirely of silk, other than yarn of noil or other waste silk, not put up for retail sale, falling within heading No 50.04 of the Common Customs Tariff, viz.: (Benelux: 1 tonne; Denmark: 1 tonne; Germany: 6 tonnes; Greece: 1 tonne; France: 15 tonnes; Ireland: 1 tonne; Italy: 40 tonnes; United Kingdom: 5 tonnes; reserve: 30 tonnes),
- yarn, spun entirely from waste silk other than noil, not put up for retail sale, falling within subheading 50.05 A of the Common Customs Tariff, viz.: (Benelux: 1 tonne; Denmark: 1 tonne; Germany: 90 tonnes; Greece: 1 tonne; France: 20 tonnes; Ireland: 1 tonne; Italy: 400 tonnes; United Kingdom: 30 tonnes; reserve: 156 tonnes).

GATT

The Council approved the decision to accelerate the implementation of the last tranche of the Tokyo Round tariff reductions (see Press Release 9693 e/85 (Presse 147), p. 7 of 21 and 22 October 1985).

Relations with the EFTA countries

The Council adopted, in the official languages of the Communities, the Regulations on the application of Decision No 1/85 of the EEC-EFTA countries Joint Committees modifying the amount expressed in ECU in Article 8 of Protocol No 3 concerning the definition of the concept of originating products and methods of administrative co-operation.

The Council also adopted, in the official languages of the Communities, the Decision on the conclusion of the Agreement in the form of an exchange of letters between the European Economic Community and the Swiss Confederation on trade arrangements for soups, sauces and condiments.

Appointment

The Council appointed, on a proposal from the Commission, Mrs Paulette HOFMAN, Confédération Force Ouvrière, full member of the Administrative Board of the European Foundation for the Improvement of Living and Working Conditions in place of Mr Bernard MOURGUES, full member, who has resigned, for the remainder of the latter's term of office, which runs until 17 February 1988.

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Bruxelles, le 8 novembre 1985  
Note Bio (85)361 aux Bureaux Nationaux  
cc. aux Membres du Service du Porte-Parole

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PREPARATION DU CONSEIL ENERGIE (F. COLASANTI)  
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Les travaux du Conseil Energie preside par M. Schlechter, ministre luxembourgeois de l'energie, debuteront lundi 11 novembre a 11h. L'ordre du jour prevoit la discussion des points suivants.

1. Programme de soutien au developpement technologique dans le  
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secteur des hydrocarbures  
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Le texte actuellement propose aux ministres tient compte des conclusions qui se sont degagees lors du dernier Conseil energie le 20 juin 1985 (duree de 1986 a 1989; montant estime necessaire de 140 millions d'ECUS soit 35 millions d'ECUS par an en moyenne; processus de decision stipulant que c'est la Commission qui octroie le soutien apres consultation d'un comite des representants des Etats membres qui gardent toutefois un droit d'appel au Conseil s'ils ne sont pas d'accord sur la decision de la Commission; taux de soutien maximal de 40% des couts). Les points de detail ayant fait l'objet d'un accord au sein du Groupe Energie du Conseil, on s'attend a l'adoption de ce reglement.

2. Projets de demonstration dans les domaines de  
l'exploitation des sources energetiques alternatives,  
des economies d'energie et de la substitution des  
hydrocarbures, ainsi que des projets pilotes industriels  
et projets de demonstration dans le domaine de la  
liquefaction et de la gazeification des combustibles  
solides.

Tout comme le projet de reglement precedent, cette proposition de la Commission a fait l'objet d'une decision de principe lors du Conseil Energie du mois de juin (360 millions d'ECUS sur 4 ans). Il subsiste un differend quant a la ventilation des credits a l'interieur de cette enveloppe globale. On peu esperer qu'un compromis soit trouve pendant la reunion du Conseil de lundi.

3. Economies de petrole brut realisables par l'usage de  
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de carburants de substitution  
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Il s'agit d'un projet de directive que la Commission avait transmis au Conseil en 1982 et qui a pour objet de determiner une serie de produits, appeles organiques oxygenes (alcools et ethers), comme pouvant etre utilises dans l'essence pour en elever l'indice d'octane. En 1982 le Conseil avait exprime un prejugé favorable sur les orientations de cette proposition de directive et avait charge le COREPER de poursuivre l'examen detaille des aspects techniques de cette proposition. Apres une serie de travaux menes avec la collaboration du Comite de Constructeurs Automobiles du marche commun, le dossier semble maintenant mur, bien qu'il fasse l'objet d'une reserve generale de la part de la delegation grecque.

#### 4. Nouveaux objectifs energetiques

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Cette proposition de la Commission qui date de mai 1985 (voir note P - 39), a fait l'objet d'un premier et bref echange de vues au Conseil du 20 juin. On ne doit pas s'attendre a ce que le projet de resolution soit adopte le 11 novembre. Le but a obtenir lors de cette reunion est principalement d'essayer de degager des orientations du Conseil sur quelques problemes essentiels (nature, presentation et differenciation des objectifs; "monitoring").

#### 5. Combustibles solides

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a) Charbons a coke et coke destines a la siderurgie de la Communaute : le Conseil doit prendre une decision sur une proposition de la Commission visant a fixer le tonnage maximal susceptible de profiter a l'aide communautaire a l'ecoulement. La Commission propose une reduction de la quantite maximale de 20%.

b) Nouveau regime pour les aides d'Etat en faveur de l'industrie charbonniere : le Conseil doit donner l'avis conforme sur la base de l'article 95 CECA sur le projet de decision de la Commission du mois de septembre (voir P -69). A ce stade, on peut s'attendre seulement a ce que le Conseil decide une prorogation limitee du regime actuel (la Commission propose 6 mois), et qu'il y ait un premier debat sur le nouveau regime.

c) Volet Social : le Conseil doit decider au sujet d'une proposition de la Commission visant a continuer l'octroi d'aides aux mineurs quittant le charbonnage grace a un transfert de 60 millions d'ECUS du budget general de la Communaute.

#### 6. Raffinage

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M. Mosar informera les ministres des contacts qu'il a eus avec les autorites americaines et japonaises en execution du mandat que le Conseil lui avait confie le 20 juin.

#### 7. Emprunts Euratom

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Le Conseil doit examiner une demande de la Commission concernant le relevement de 2 a 3 milliards d'ECUS du plafond pour ces emprunts. Cette communication est justifiee par le fait que les versements sur la base des prets Euratom ont deja atteint 1941 millions d'Ecus et que il existe deja des besoins supplementaires pour 938 millions d'ECUS.

Amities  
H. PAEMEN COMEUR//V

Bruxelles, le 11 novembre 1985

NOTE BIO (85) 361 suite 1 et fin AUX BUREAUX NATIONAUX  
CC AUX MEMBRES DU SERVICE DU PORTE-PAROLE

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REUNION DU CONSEIL ENERGIE (F. COLASANTI)

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Les travaux du Conseil ont commence par l'examen conjoint des deux premiers points a l'ordre du jour:

a) les mesures de SOUTIEN AU DEVELOPPEMENT TECHNOLOGIQUE DANS LE SECTEUR DES HYDROCARBURES; b) les "PROJETS DE DEMONSTRATION". Sur ces deux points le Conseil avait marque un accord de principe lors de sa session du 20 juin dernier, mais des desaccords subsistaient encore sur des points techniques.

Grace aux travaux effectues au niveau des experts et a une proposition de compromis de la presidence sur les points restes en suspens, un accord global a pu etre degage, sur les deux projets de reglement en question. Sur le probleme specifique de la ventilation des credits affectes aux projets de demonstration entre ceux dans le domaine de la liquefaction et de la gazeification des combustibles solides et le reste, il a ete convenu qu'environ 30% aurait ete prevu pour des projets "dans le domaine des combustibles solides". L'approbation definitive du reglement reste toutefois subordonnee a la consultation du Parlement.

Par la suite, le Conseil a approuve une directive sur les CARBURANTS DE SUBSTITUTION. Il s'agit d'une proposition que la Commission avait presente en 1982 et dont l'objet etait de determiner une serie de produits, appeles organiques oxygenes (alcools et ethers), comme pouvant etre utilises dans l'essence pour en elever l'indice d'octane. Apres un premier examen de la part du Conseil en novembre 1982, cette proposition avait fait l'objet de travaux techniques au niveau des experts et elle avait beneficie des resultats d'une serie de tests realises en collaboration avec le Comite de Constructeurs Automobiles du Marche Commun. La discussion d'aujourd'hui ayant permis de surmonter les dernieres reserves, la directive a pu etre finalement adoptee. Les Etats membres devront s'y conformer au plus tard le 1 janvier 1988.

L'adoption de cette directive revet une importance particuliere au moment ou l'industrie petroliere doit prendre des decisions d'investissement importantes pour pouvoir compenser la reduction et l'elimination du plomb dans l'essence. Elle est maintenant fixee sur les limites admissibles de ces composés qui seront admises au niveau de l'ensemble de la Communauté.



Sur les OBJECTIFS ENERGETIQUES, le Conseil a procede comme prevu a un debat d'orientation sur certaines questions-cles identifiees par la presidence (nature, presentation et differenciation des objectifs; "monitoring"). M. Mosar a souligne l'importance que l'adoption d'objectifs energetiques clairs revet pour l'ensemble de la politique energetique communautaire, il a rappele les conclusions auxquelles le Conseil etait deja parvenu a ce sujet et il a demande aux ministres de bien vouloir inviter leurs collaborateurs qui siegent dans les groupes charges d'examiner ce dossier de faire preuve d'un esprit constructif. La Commission espere que les orientations degagees aujourd'hui permettront l'adoption des objectifs energetiques pour 1995 au debut de l'annee prochaine.

Le Conseil a ensuite ecoute une communication de M. Mosar sur le RAFFINAGE ET LES IMPORTATIONS DE PRODUITS PETROLIERS. Le 20 juin le Conseil avait conclu que la Communaute devait rester fidele pour les produits petroliers au principe de la liberte d'acces a son marche pour autant que les Etats Unis et le Japon adoptent une attitude semblable. M. Mosar avait ete charge de defendre ce point de vue dans les negociations avec les autres grands pays consommateurs. M. Mosar a fait etat des conclusions de la reunion de l'AIE du 9 juillet (engagement de toutes les parties et notamment du Japon a maintenir ou creer des conditions d'acces liberales; mise en place d'une procedure de surveillance des flux d'importations) et des contacts qu'il a eu au debut du mois a Washington avec le secretaire a l'energie M. Herrington. M. Mosar a aussi annonce qu'il se rendra a Tokyo au mois de decembre afin de rappeler a M. Murata l'interet que la Communaute attache a une mise en oeuvre effective des le debut de 1986 du processus de liberalisation des importations petrolieres.

Pour ce qui est des COMBUSTIBLES SOLIDES, le Conseil a procede a un large debat d'orientation sur le nouveau regime pour les aides d'etat en faveur de l'industrie charbonniere dans le cadre d'une politique generale des combustibles solides et a pris deux decisions necessaires a eviter un vide juridique au debut de l'annee prochaine. En effet, le Conseil a fixe le tonnage maximal (8,5 Mio/t) de charbons a coke susceptible de profiter en 1986 de l'aide communautaire a l'ecoulement. Le Conseil a aussi donne son avis conforme (art. 95 CECA) sur la decision de la Commission de proroger pendant six mois le regime actuel pour les aides d'Etat en faveur de l'industrie charbonniere. Par contre, il a ete impossible de degager un accord sur une proposition de la Commission visant a financer en 1985 des mesures a caractere social dans les charbonnages grace a un transfert de 60 MECU du budget general CEE au budget CECA.

Enfin, le Conseil a marque son accord sur le principe du relevement de 2 a 3 milliards d'ecus du plafond pour les EMPRUNTS EURATOM. La decision finale sur cette proposition sera prise par un prochain Conseil ECO/FIN.

Amities,  
H. PAEME

