



**European  
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January 7, 1971

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## COMMON MARKET TAKES MAJOR STEP TOWARDS A COMMON ENERGY POLICY

WASHINGTON, D.C., Jan. 7 -- The European Communities Commission has proposed fixing maximum rates for specific consumer taxes on fuel oils in the Common Market as of January 1, 1976, it was announced in Brussels yesterday.

The Commission on December 28, 1970, completed work on a draft directive for the harmonization of specific consumer taxes on liquid hydrocarbons used as fuels and has submitted its proposals to the Council of Ministers for final approval. The harmonization of taxes on fuel oils is a major item in the Community's work towards the establishment of a common energy policy.

Any alteration in the tax structure will have far-reaching budgetary and economic implications for the six member states of the Community, and thus the Commission has recommended that the member states bring their taxes into line with each other in sufficiently easy stages.

The Commission has proposed that the member states' rates of specific consumer tax on fuel oils, or the cumulative amount where more than one such tax is imposed, should be fixed as of January 1, 1976, at not more than:

- \$2 per metric ton or calorific value equivalent for heavy fuel oils (tariff heading 27.10 C II, or products of similar characteristics or substitutes).
- \$5 per metric ton or calorific value equivalent for light fuel oils, or gas oil (tariff heading 27.10 C I, or products of similar characteristics or substitutes).

Countries applying rates over these limits on the date the directive is issued will be required to reduce by one half the difference between their current rates and those scheduled for January 1, 1976, by January 1, 1974.

The lowering and harmonizing of fuel oil taxes is one move in the direction of eliminating "fiscal frontiers" in the Community's energy market and making possible the free movement of energy products; of eliminating disparate taxation of fuels within individual member states, which tends to distort competition between different fuels and to influence consumer choice, and of furthering the Community's interest to ensure that the consumer is kept supplied at relatively steady and low prices.

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