

## EUROPEAN PARLIAMENT

# Working Documents

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## Report

drawn up on behalf of the Committee on External Economic Relations

on the proposal from the Commission of the European Communities to the Council (Doc. 212/74) for a regulation on the common definition of the concept of the origin of petroleum products

Rapporteur: Mr Erwin LANGE

PE 37.911/fin.



By letter of 23 July 1974 the President of the Council of the European Communities requested the European Parliament, pursuant to Article 113 of the EEC Treaty, to deliver an opinion on the proposal from the Commission of the European Communities to the Council for a regulation on the common definition of the concept of the origin of petroleum products (Doc. 212/74).

On 14 August 1974 the President of the European Parliament referred this proposal to the Committee on External Economic Relations as the committee responsible and to the Committee on Energy, Research and Technology for its opinion.

On 17 September 1974 the Committee on External Economic Relations appointed Mr LANGE rapporteur. It considered this proposal at its meeting of 17 September 1974.

At the same meeting the committee unanimously adopted the motion for a resolution and the explanatory statement.

Present: Sir Arthur Douglas Dodds-Parker, acting chairman; Mr Brewis, Mr Corterier, Mr D'Angelosante, Mr De Clercq, Mr Herbert, Mr Klepsch, Mr Premoli (deputizing for Mr Baas), Mr Emile Muller, Mr Radoux, Mr Sandri, Mr Thornley, Mr Vandewiele.

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

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The Committee on External Economic Relations submits to the European Parliament the following motion for a resolution, together with explanatory statement:

MOTION FOR A RESOLUTION

embodying the opinion of the European Parliament on the proposal from the Commission of the European Communities to the Council for a regulation on the common definition of the concept of the origin of petroleum products.

The European Parliament,

- having regard to the proposal of the Commission to the Council<sup>1</sup>,
  - having been consulted by the Council pursuant to Article 113 of the EEC Treaty (Doc. 212/74),
  - having regard to the report of the Committee on External Economic Relations and the opinion of the Committee on Energy, Research and Technology (Doc.268/74),
1. Approves the Commission's proposal;
  2. Instructs its President to forward this resolution and the report of its committee to the Council and Commission of the European Communities

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<sup>1</sup>COM(73) 2247 final

EXPLANATORY STATEMENT

1. Implementation of a common trade policy requires - among other things - the application of identical customs regulations in each of the EEC Member States.

The adoption by the Council on 27 June 1968 of Regulation (EEC) No. 802/68 on the common definition of the origin of goods enabled the Community to establish common rules for the determination, verification and certification of the origin of goods.

The previously existing disparities between different national rules were in fact such as to give rise to disparities both in the application of the Common Customs Tariff, quantitative restrictions and other provisions relating to trade with third countries, and in the establishment and issue of certificates of origin.

2. Article 3, however, specified that the regulation did not apply to petroleum products, in respect of which the concept of origin was to be defined later. To justify this exception, the Commission emphasized the need not to prejudge the direction of the common energy policy then being worked out.

This restriction was criticized at the time by the European Parliament (see Bading report Doc. 49/66, on the proposal from the Commission to the Council on the common definition of the concept of the origin of goods) on the grounds that 'exceptions were only possible if they were justifiable logically and for practical reasons' (Bading report, para. 10).

3. The constant increase in Community requirements of hydrocarbons and the effects on the economies of the Member States of the considerable rises in the price of crude oil which have taken place during the past few months can only reinforce the urgent need for the Community to draw up a common energy policy.

The implementation of a common procedure for imports and exports of petroleum products is a key factor in such a policy, as the Commission points out in its communication to the Council on initial implementation of the 'guidelines and priorities for a Community energy policy' (Doc. 168/73).

In this document the Commission particularly mentioned its intention shortly to submit - in order to bring about such a common procedure for imports and exports - a draft regulation concerning an agreed definition of the concept of origin of crude oil and petroleum products which would allow 'the common imports and exports procedure to be appropriately applied'.

4. The Committee on External Economic Relations notes the Commission's firm commitment with satisfaction. This proposal should make it possible to fill a regrettable gap in the management of the Community customs policy, and will represent an additional, though modest, step towards the Community energy policy which is now so essential.

5. Common rules for the determination, verification and certification of origin of petroleum products, similar to those in Regulation (EEC) 802/68, are provided. However, Article 8 stipulates that certificates of origin for imported petroleum products other than crude shall show not only the country of origin of the imported petroleum products, but also that of the crude from which they were extracted. Such additional information, which, after all, is not a very coercive requirement, should result in improved knowledge of the origin of Community imports of crude oil and could be useful in setting up a common supply policy for hydrocarbons.

6. It would appear, in sum, that the proposal for a regulation on the common definition of the concept of the origin of petroleum products should make it possible to improve the management of the Community customs policy in a sector - imports of petroleum products - which is of vital importance to the Member States. It is surprising, in fact, that this proposal, which merely aligns the common rules for the determination, verification and certification of origin of petroleum products with those of the general regulation of 1968 (with the exception of the **additional requirement** laid down in Article 8), was not drawn up until six years after the entry into force of the general regulation. (The first proposal from the Commission to the Council for a regulation on the common definition of the concept of the origin of goods goes back to 29 December 1964).

In view of the need for the Community to draw up a common supply policy for hydrocarbons as soon as possible, the Committee on External Economic Relations urges that this essentially technical proposal, which it approves without modification, should be rapidly adopted by the Council and enter into force without delay.

OPINION OF THE COMMITTEE ON ENERGY, RESEARCH AND TECHNOLOGY

Letter from the chairman of the Committee on Energy, Research and Technology to Mr de la Malène, chairman of the Committee on External Economic Relations

Dear Mr Chairman,

On 12 September 1974 the Committee on Energy, Research and Technology considered the proposal from the Commission for a regulation on the common definition of the concept of the origin of petroleum products (Doc. 212/74).

When the Council adopted Regulation 802/68/EEC on the common definition of the concept of the origin of goods on 27 June 1968, that document gave no definition of the concept of the origin of petroleum products. On being questioned on the matter, the Commission explained that one should not anticipate the lines the common energy policy would follow while it was still being worked out.

Since then the Commission has submitted various overall concepts for the Community energy policy. The latest of these were the proposals to the Council for a new energy policy strategy for the European Community (Doc. 136/74) on which Mr Pintat drew up a report on behalf of this committee (Doc. 184/74) which led to the European Parliament's resolution of 11 July 1974.

The proposal for a regulation on the common definition of the concept of the origin of petroleum products may be regarded as following up this Community strategy, given the Community's heavy dependence on such imports. It ought, therefore, to be approved.

Its implementation must not, however, be postponed until the Council has accepted the energy policy strategy for the Community which should have been adopted long since. The situation in the supply sector has changed radically since 1968. This cancels out the Commission's former argument that the definition of the concept of the origin of petroleum products should be subject to the adoption of a common energy policy. The Council should therefore adopt this proposal for a regulation without delay.

Yours sincerely,

(sgd) Gerd SPRINGORUM