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Report

drawn up on behalf of the Committee on Energy and Research

on the first periodical report from the Commission of the European Communities
to the Council on the Community action programme for the rational use of
energy and draft recommendations of the Council

Rapporteur: Mr R.T. ELLIS
"

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By letter of 30 April 1976 the Committee on Energy and Research requested authorization to draw up a report on the First Periodical Report on the Community Action Programme for the Rational Use of Energy and Draft Recommendations of the Council.

Authorization was given by the President of the European Parliament in his letter of 14 May 1976. The Committee on the Environment, Public Health and Consumer Protection, and the Committee on Regional Policy, Regional Planning and Transport were asked for their opinions.

On 21 May 1976 the Committee on Energy and Research appointed Mr R. T. Ellis rapporteur.

It considered the draft report at its meetings of 24 June 1976 and 21 September 1976 and unanimously adopted the motion for a resolution and the explanatory statement on 21 September 1976.

Present: Mr Springorum, Chairman, Mr Normanton, Vice-Chairman, Mr Ellis, rapporteur, Mr Adams (deputizing for Mr Lautenschlager), Lord Bessborough, Mr Delmotte (deputizing for Mr Giraud), Mr Giraud, Mr Mitchell, Mr Noè, Mr Osborn, Mr Suck (deputizing for Mr Schwabe), Mr Vandewiele.

The opinions of the Committee on the Environment, Public Health and Consumer Protection and the Committee on Regional Policy, Regional Planning and Transport are attached.

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

MOTION FOR A RESOLUTION

on the First Periodical Report from the Commission of the European Communities to the Council on the Community action programme for the rational use of energy and draft recommendations of the Council The European Parliament,

- having regard to the communication from the Commission of the European Communities to the Council (COM(76) 10 and Annexes),
 - having regard to the report of the Committee on Energy and Research and the opinions of the Committee on the Environment, Public Health and Consumer Protection and the Committee on Regional Policy, Regional Planning and Transport (Doc. 314/76),
 - recalling its previous resolutions
 - on the immediate measures needed to alleviate the energy supply crisis in the European Community¹
 - on appropriate medium- and long-term measures for the further alleviation of the energy supply crisis in the European Community²
 - on the communication from the Commission of the European Communities to the Council entitled 'Energy for Europe: Research and Development',³
1. Recognizes the contribution that a more rational use of energy can make to the reduction of the European Community's dependence on imported sources of energy;
 2. Fears that, in the absence of a comprehensive Community strategy for the rational use of energy, a quickening of economic growth might lead to a disproportionate growth in energy consumption;

¹OJ No. C2 of 9.1.1974, page 46

²OJ No. C40 of 8.4.1974, page 55

³OJ No. C60 of 13.3.1975, page 34

3. Notes that,
- each Member State has adopted a pragmatic and diversified approach which reflects the lack of clear and decisive central direction at Community level,
 - a great effort, to date, has been made only in the field of publicity and the dissemination of information aimed at influencing public opinion, while there has been a noticeable lack of concrete action by the governments of the Member States;
 - to a limited extent, and partly as an involuntary consequence of external trends rather than as a positive measure in itself, the price mechanism has been used to encourage a more rational utilization of energy;
4. Regrets that none of the Council Recommendations have been directed at the industrial sector, and urges the Commission to present proposals for this sector along with its next Periodical Report;
5. Feels that fuel-technology consultancy services, preferably on a commercial basis, should be expanded, and stresses the need for training fuel technologists specialized in this field, and for their effective employment in responsible positions by consumers of energy;
6. Considers that adequate statistical information on both the possibility of energy conservation and the results achieved by measures aimed at encouraging the rational use of energy must be compiled, and calls on the Commission to draw up, with the least possible delay, proposals to this effect;
7. Calls on the Commission to draw up a comprehensive energy saving strategy and to present a set of coherent proposals to the Council, with the view of reducing the Community's dependence on imported energy sources;
8. Appreciates the reason for the Commission's decision not to propose directives dealing with the rational use of energy at this time, but believes that the Commission will have no alternative but to introduce generally binding measures, where appropriate, in the future, with the objective of reducing the Community's dependence on imported energy sources;
9. Believes, nevertheless, that care should be taken to channel Community action into measures which are demonstrably justifiable both under the Treaties and according to the realities of the economic and commercial situation;
10. Deplores the Commission's failure to consult the European Parliament on this matter;
11. Instructs its President to forward this resolution and the report of the Committee to the Council and Commission of the European Communities.

EXPLANATORY STATEMENTI. INTRODUCTION

1. In its resolution of 17 September 1974¹, the Council recorded its agreement to the objective of "reducing the rate of growth of internal consumption by measures for using energy rationally and economically without jeopardizing social and economic growth objectives", and adopted "the objective of reducing the medium-to-long-term growth rate of energy consumption for the Community as a whole in order to achieve by 1985, a level of consumption which is 15% lower than the figure anticipated for that date in the Commission's initial estimates drawn up in January 1973, to the particular situation of each Member State." At the same time the Council invited the Commission to "report back to it, at regular intervals, on both the situation in the Member States and progress towards the Community objective", and noted that the Commission would "submit appropriate proposals to the Council".

2. The First Periodical Report and Draft Recommendations were submitted to the Council in January 1976, and the five Recommendations were adopted by the Council on 4 May 1976². The European Parliament's Committee on Energy and Research examined this report on 28 April 1976. The committee was concerned that the European Parliament had not been consulted on the Commission's draft Council Recommendations. It also wished to consider why the proposed measures were in the form of Draft Recommendations rather than Draft Directives. For these reasons the committee sought authorization to draw up an own-initiative report to present to Parliament. The European Parliament is thus now giving its opinion on Recommendations which have already been adopted by the Council.

¹OJ No. C 153 of 9.7.1975, p.5

²OJ No. L 140 of 28.5.1976 pp. 11, 12, 14, 16, 18

II. SCOPE OF THE COMMISSION'S DOCUMENT

3. The Commission's document consists of

- (i) The First Periodical Report on the Community Action programme for the Rational Use of Energy;
- (ii) Draft Council Recommendations on the Rational Use of Energy in the following fields:
 - promoting the thermal insulation of buildings;
 - heating systems in existing buildings;
 - energy saving by road vehicles through better driving habits;
 - urban transport of passengers;
 - electrical household appliances
- (iii) Annexes, under a separate binding, comprising the interim reports of 8 working groups of experts, on the following sectors:
 - thermal insulation of buildings;
 - heating systems;
 - road transport vehicles;
 - transport structures;
 - industrial processes - heat;
 - power;
 - conversion in power stations;
 - transformation in refineries.

4. The First Periodical Report analyses the future trend for energy demand in the Community and makes estimates of energy consumption in the Community in 1980 and 1985, taking into account the results obtained or anticipated by measures taken to save energy at a national level.

5. The report then surveys the Member States' programmes for the rational use of energy, and comparative tables are given showing specific measures adopted by Member States, as part of a programme for the Rational Use of Energy, since October 1973. Measures proposed for adoption in the near future are also included in these tables, which were drawn up in July 1975. Tables were prepared in each of the 8 sectors covered by working groups of experts (see para. 3(iii) supra).

6. The Commission reports that in September 1975, i.e. about two years from the beginning of the oil crisis, nearly a third of the measures proposed were still to be adopted, and at least 40% of the adopted measures concerned the field of information aimed at making the public and industrial

management more conscious of the need to save energy.

7. The Commission points out that the recommendations, which were adopted by the Council on 4 May 1976, are only a first step, and that further measures may have to be submitted. In addition, Member States and the Commission are to examine the following themes later this year;

- (i) the effective organization of press and advertising campaigns;
- (ii) the building up of a Community-level statistical basis on policy making in every Member State so as to facilitate objective comparisons of the evolution of energy consumption and the impact of energy-saving measures;
- (iii) the organization of more effective exchanges of information about technical studies underway in the various Member States, possibly extending to Community-level coordination.

III. PARLIAMENT'S GENERAL POSITION

8. The gravity of the oil crisis of 1973 in the Community hardly needs stressing. Nor is it necessary to remind Parliament that although the economies and energy markets of the Community countries adjusted themselves, partly involuntarily, to the new levels of oil prices, the Community still remains heavily dependent on energy supply sources which are not sufficiently dependable for it to plan its economic development with a satisfactory measure of assurance.

9. This has been recognized by Parliament on a number of occasions since the initial impact of the 1973 OPEC measures.

For example on the 13 December 1973 Parliament passed a resolution¹ deprecating the failure at that time both of the Commission and the Council to take measures for dealing with the crisis adequate to the seriousness of the position. The resolution noted "that the Commission has not yet submitted any proposals likely to be successful".

¹OJ No. C 2 of 9.1.1974, page 46

10. Parliament went further in its resolution and underlined the portentous nature of the energy situation by saying that it considered "that the energy crisis, and the manner in which Member States respond, has serious political implications for the future of the Community, and urges the Commission and Council of the European Communities to coordinate national measures with the objective of maintaining and strengthening solidarity between all Member States of the Community".

11. There then followed a list of measures for action, which was acknowledged to be less than comprehensive, proposed by Parliament in its resolution "having regard to the need to take all appropriate measures likely to improve energy supplies, and concerned at the energy supply prospects of the European Community". The resolution ended with the words "the European Community must be given adequate power to coordinate all these measures in the Member States".

12. Again on 14 March 1974 Parliament passed a similar resolution¹ containing amongst other things a number of practical proposals for the more efficient utilization of energy in the Community. The seriousness with which Parliament viewed the situation was reflected by a paragraph in the resolution going as far as to propose that the Treaties be amended so that the Community would become responsible for and speak with one voice on energy policy.

13. On 20 February 1975 yet another resolution² was passed which, amongst other things, urged "the Commission in connection with practices of energy research and development to arouse and strengthen public consciousness of the need to save energy". The resolution expressed the view that it was "essential to use existing Community structures for the organization, administration and development of the activities referred to above," and that "any organization created for this purpose (should be) responsible to the Commission in the same way as the Joint Research Centre under the Treaties".

14. It is clear therefore that Parliament has consistently and forthrightly expressed its view that the problems of energy supply to the Community countries are of fundamental importance, need to be tackled urgently and should be done so by the Community itself.

¹OJ No C 40 of 8.4.1974, p.55

²OJ No C 60 of 13.3.1975, p.34

IV. COMMENTS ON THE COMMISSION'S REPORT AND DRAFT RECOMMENDATIONS

15. It is against this background that the Committee on Energy and Research has considered the First Periodical Report on the Community Action Programme for the Rational Use of Energy and the five Recommendations already adopted by the Council. Furthermore the Committee has three years experience of action in the Community following the crisis to guide it, an experience partly summarized in the Commission's Report and in particular in its first Annex.

16. In view of the urgency and importance of adopting effective measures for the rational use of energy, the actual experience of the past three years is disappointing. As the Report makes clear three broad features emerge.

17. Firstly in each of the member countries the emphasis has been that of a pragmatic and diversified approach consistent with the lack of clear and decisive central direction.

18. Secondly the price mechanism, to a limited extent and partly as an involuntary consequence of external trends rather than as a positive measure in itself, has been used to encourage a more rational use of energy.

19. Lastly the greatest effort so far has been in the field of publicity and the dissemination of information in order to influence public opinion.

20. Little has been done to restructure the pattern of energy consumption and the report expresses the fear that a quickening of economic growth might yet lead to a disproportionate growth in energy consumption per unit of Gross Domestic Product.

21. Your rapporteur found this disappointing assessment supported by interviews with fuel efficiency consultants who commented on the distinct loss of interest shown by industrial concerns during the past year in the subject of the rational use of energy. The view was held that a consistent and more positive lead from government was needed for a substantial and structural improvement in the efficiency with which energy is used. It was insufficient for governments simply to rely on exhortation or to say, for example, that an energy policy should form part of the corporate plan of each company. This might well be true but any

such company plan would be more likely when it could be knitted into an overall governmental strategy.

22. The evidence at the moment shows that this overall strategy is virtually non-existent, either on a Community level or in any of the Member States and that the effectiveness of those policies which in fact are being pursued is weakened by a fragmentation of effort.

23. For example in the field of fuel efficiency research there is in some countries a failure to appreciate that scientific research establishments are better applied to longer-term developments while more immediate energy-usage improvements would be more likely to occur if fuel technologists experienced in this specialized work were concentrated on it.

24. In any case the number of such specialized engineers being trained in colleges and universities, each of whom after graduating would need a minimum of two years experience in the field before becoming "profitable", appears to be far too low to reap the potential benefits envisaged in the table of "Forecasts of Energy Consumption in the Community in 1985" on page 2 of the Commission's Report.

25. It might be difficult too to justify the expenditure of 10m u.a. in one country alone so far on advertising, with unknown but possible little effect, when spent in other ways some hundreds of fuel efficiency schemes could have been completed.

26. When the Commission asks the governments of Member States to nominate experts to serve on working parties, the importance and urgency of their work should be emphasized. Moreover your rapporteur believes that experts should not be drawn exclusively from the public sector and government research institutes, as experts from the private sector may see problems from an independent and more politically disinterested viewpoint. Funds should be made available to enable the greatest possible number of independent experts, many of these from industry, to be consulted.

27. It is partly because of suspicions about fragmentation of effort in the past that the committee is worried now to see in the first batch of recommendations none aimed especially at the industrial sector. In some of the more industrially developed of the member countries over 40% of energy consumption takes place in this sector and Study Group E (Industrial Processes - Heat) points out that in the Community as a whole it is estimated that the industrial sector will account for some 541 m. t o e in 1985 (about one-third of total consumption) disregarding any rational utilization of energy projects.

28. This fact alone justifies a substantial concentration of effort on the sector. There are other features of the sector too which emphasize its appropriateness for study and the greater likelihood of a successful response from it especially in the short term.
29. One of these features is the formal nature of cost-accounting in the industrial sector where an institutionalized preoccupation with costs produces a sharper awareness than in some sectors. This awareness however is blunted in the energy field in much of manufacturing industry whose fuel-costs form a relatively small proportion, say 2% to 6% of total costs. It is for this reason that price adjustments are less effective in producing a more rational use of energy than might at first be expected, many industrialists being more concerned with security of supply. Nevertheless the cost-monitoring arrangements are already available and to that extent provide a readier means of effective action, especially in the short-term, than would, say, action in the private motoring sector.
30. The experience of fuel-technology consultants has been that investment to save energy normally produces a higher return in manufacturing industry than conventional investment. Furthermore since many manufacturing companies demand a full return on capital in as little as 2 or 3 years the return on a scheme for the more rational use of energy must likewise result within a similar time span. Your rapporteur understands from one highly experienced and reputable consultant that his company works to a time limit of 3 years, that is to say no scheme would be submitted to a prospective customer which would take over 3 years to produce its return.
31. In the heavier industries like electricity generation, coal mining, steel making and so on the returns on capital investment of course take a much longer period, even decades, to mature, but also in many of these industries fuel costs account for a much greater proportion of total costs and a proportionately greater effort towards the rational use of energy has already been made.
32. It is for these reasons that short-term measures introduced in an organized and concentrated way within the manufacturing sector could produce speedy and substantial benefits in fuel efficiency.
33. Another more general aspect of costs which the committee is glad to see referred to in paragraph 16 of the Report is that of balancing the cost of investment to save fuel against the cost of investment to procure the same amount of fuel. The committee agrees strongly that a clearer idea of the overall cost-effectiveness of the effort towards a rational use of energy seen in these terms will be an invaluable aid to correct resource allocation in energy policy.

34. There are already disturbing signs that the investment needed to generate production capacity in some energy sectors is exceedingly high indeed. Your rapporteur understands, for example, that on-going investment in developing oil production in the British sector of the North Sea might be at a rate as high as one tenth of all British capital investment.

Here again is yet another indication of the great importance of a speedy and effective action programme for the proper use of energy.

35. It is against this kind of background as well as that of the various resolutions of Parliament previously referred to, that the Committee on Energy and Research expresses its great disappointment at the negligible result of the Community's Action Programme so far, a result which is enshrined in five innocuous recommendations which might or might not be translated into concrete action.

V: THE ROLE OF THE COMMUNITY

36. As a result of this disappointment and despite the unequivocal view of Parliament about the role of the Community in this field, and in a desire to analyse the reasons for the Community's relative impotence, the committee has re-considered the question of the Community as an effective practical instrument influencing this important and far-reaching subject. The question can be put graphically - "Should such a mountain of labour have given birth to something more than a little mouse?"

37. Some of the issues having a bearing on this question can be listed as follows:

- (i) The interim nature of the report
- (ii) Technical difficulties
- (iii) The scope of the Treaties
- (iv) The needs of a Common Energy Policy.

38. First however it is interesting to note that not only did the Council refer in its Resolution of September 1974 to "progress towards the Community objective" but that the Commission's Report explicitly in paragraph 10 presupposes the legitimate role of the Community as a practical agent in this field.

The paragraph reads -

"From the foregoing the conclusion can be drawn that the current situation in the Member States is not yet entirely satisfactory and consequently that the following actions should be undertaken at Community level:

- (i) to make a common 'systematic and generalized effort' towards laying the foundations of a common long-term RUE programme, considering the economic structure and growth rate in each Member State, and based on the technico-economic analysis of the main consumption sectors so as to extract the most promising and efficient measures;
- (ii) define the criterions (sic) and develop methods best suited to the efficient follow-up and control of the implementation of measures deemed necessary in order to assess the sectorial (sic) country-by-country results during the period between now and the final goal of 1985."

39. It is clear that the Commission has no doubts about the practicability of the Community's role in a Rational Use of Energy Programme. The Energy and Research Committee presumes that the Commission has in mind a meaningful role, meaningful in that the programme would be initiated, modified as necessary and monitored at Community level, and that therefore Regulations, Directives and/or Decisions would in the normal course of events feature as some of the instruments giving effect to the development and maintenance of the programme.

(i) The Interim Nature of the Report

40. The explicitly interim nature of the Report is in accord with the Commission's presumption that the Community has a meaningful central role in the development of a policy for the more rational use of energy.

41. The reasons for this interim nature appear to be, firstly, the need for more time for technical difficulties to be resolved so that a more comprehensive set of measures of a specific kind (whether recommendations or more positive measures remains unclear) can be introduced. In addition "three general themes are to be examined in greater depth this Autumn by the Member States and the Commission".

42. The Energy and Research Committee, while accepting the need for time for adequate technical studies to be made, nevertheless notes with surprise and concern that in the Commission's report dated 16 January 1976 dealing with a subject the importance and urgency of which Parliament emphasized two years ago, there should be a reference to an "examination" commencing "this Autumn". The Commission's representative has, however, informed your rapporteur that "this Autumn" refers to the Autumn of 1975, the delay being due to the infrequency with which Energy Council meetings have been held.

43. The committee is surprised also that two of these general themes should be

- (i) "the effective organization of press and advertising campaigns" and
- (ii) "an examination of ways to organize more effectively exchanges of information about technical studies underway in the various Member States, extending perhaps to Community-level co-ordination".
(committee's italics)

44. However important these two themes might be in themselves the Energy and Research Committee cannot reconcile itself to the implication that even if they are not regarded as pivotal to the development of a meaningful Community policy, they at least appear to form two parts of a triumvirate of priorities.

45. The committee accordingly, while glad to see that the Report is an interim one, nevertheless feels there might be a danger after yet more labour that the mountain will produce another mouse. If this were to happen doubts would be cast upon the hitherto presupposed legitimacy of the Community's role.

46. The third of the general themes which are to be examined in depth concerns the availability and nature of the statistical information needed for the direction and objective assessment of measures designed to lead to a successful programme. The committee agrees that adequate and suitable statistical information is a major and priority requirement for a Community programme and feels that the lack of such information is one of the main justifications for the present Report's interim nature. In this field positive direction can be applied with effect and the committee calls upon the Commission to begin work forthwith towards strengthening this aspect of a programme for the Rational Use of Energy and looks forward to welcoming the Commission's positive proposals in its next periodical report.

(ii) Technical difficulties

47. The committee accepts also that time is needed to overcome technical difficulties and that this too has meant that only a limited start could be made in the present report with its five recommendations. Indeed from a reading of the recommendations it might appear that the technical difficulties in those very fields which they cover have proved insuperable because the recommendations for the most part could have been made without need to, or at least with only a cursory glance at, the technicalities. One begins to suspect that some of the more trite proposals were included merely for the sake of making the numbers up.

48. At the same time there are some proposals in the Recommendations which have highly political overtones. For example the proposal in paragraph 2.2 of the "Recommendation on Heating Systems in Existing Buildings" that individual consumption from collective heating systems should be metered bristles with contention in those many residential areas where the supply of district heating is included in the rent. The committee feels that it could usefully have commented upon features of the Recommendations of this kind and regrets that Parliament was not consulted by the Commission before the Report and Recommendations were considered and adopted by the Council.

49. In general the committee believes that technical difficulties arise more especially in the longer-term issues involving substantial capital investment and restructuring on a major scale and that much can be done to initiate Community action in the shorter term where the technical difficulties are less forbidding. An appropriate sector for attention would be energy saving from short-term or first-aid schemes in manufacturing industry and the establishment of a statistics-gathering machinery in this sector together with an expansion of fuel-technology consultancy services (on a commercial basis rather than a government sponsored free advice basis) are areas for immediate attention.

50. The committee feels it is important in this sector to distinguish between proposals for making short-term improvements in the direct consumption of energy by an industrial enterprise and proposals, impractical in the European context, such as, for example, that a manufacturer of energy-consuming appliances should design his product for energy-saving reasons to certain Community-imposed specifications.

A motor-car manufacturer must be allowed to exercise his commercial judgement as to the kind of engine he believes the market will demand although at the same time the Committee acknowledges that markets themselves can be influenced by many agencies other than the customer, such as governments or the manufacturers themselves.

51. Since the Community market is a significant one even in world terms, there might be scope here for legitimate harmonizing in an attempt by the Community to influence the market towards the rational use of energy. Care must be taken not to make false analogies with statutory specifications imposed on manufacturers in matters of safety and health which are universal although not necessarily harmonized.

(iii) The scope of the Treaties

52. The Energy and Research Committee understands that a large proportion of Member States developing their policies for a rational use of energy have expressed the view that they would like to be free to find their own means for reaching the Commission's objective. Their freedom to do just this depends partly of course on the Treaties.

53. Article 101 of the EEC Treaty imposes duties upon the Commission where it finds that a difference between the provisions laid down by law, regulation or administrative action in Member States is distorting conditions of competition in the common market. The basic duty then of the Commission is to take steps leading eventually to the elimination of the distortion.

54. Arising from this article there has developed over the years what might be called the "Theory of Harmonization" which by now has become at times almost a cult within which one harmonizes for harmonization's sake. It is for this reason that some Community Directives in fields where there are only the most tenuous of justifications for Community action nevertheless contain in their preambles solemn references to the need for eliminating distortion of competition so that at least, the appearance of legitimacy might be given to that action.

55. Often it is on issues which in the context of the historical development of the Community are trivial but which at the same time create a maximum amount of public resentment that this kind of semi-spurious legislation is undertaken.

56. The Energy and Research Committee, enthusiastic that the Community should develop and gain influence, believes that care should be taken to channel Community action into those measures which are demonstrably justifiable both under the Treaties and according to the realities of the situation.

57. The committee therefore accepts arguments from the Commission that at present when the development of a RUE policy is unfortunately so little advanced no useful purpose would be served by proposals from the Commission couched in legislative terms. At the same time the committee wishes to make clear that it does so reluctantly and only because of the logic of the situation.

58. Your rapporteur appreciates that acceptance of recommendations, however limited in their scope or effects, does constitute a formal commitment on the part of the Council. Therefore in certain fields, e.g. domestic appliances, this commitment can be used to justify the setting up of European standards for electricity consumption. A standard label, indicating electricity consumption, would voluntarily be attached to their products by manufacturers. In this competitive market appliances not displaying a standard mark would be at a disadvantage compared with rival products bearing such a mark. Your rapporteur sees this as a possible justification for the Commission's minimalist position, which may, in the circumstances, have been more effective than a controversial directive.

(iv) Need for a Common Energy Policy

59. It is clear that in any Common Energy Policy designed to resolve difficulties of supply in the future, conservation and the more rational use of energy must feature prominently. The estimated savings in 1985, through the adoption of a satisfactory rational use of energy policy, which are quoted in the report, amply illustrate that point.

60. To put the matter in another way, any policy in which conservation did not feature prominently would not be a satisfactory policy. It therefore follows that, if a common energy policy is itself justified, then so must be a policy for the rational use of energy.

61. The committee is aware that progress towards a Common Energy policy in the Community has been extremely disappointing. Nevertheless it feels that the Commission should continue to look for ways of developing a Common Energy policy by putting forward proposals which could accommodate the various national interests.

62. To do this it is important that the ground must be well prepared before introducing any legislative action, and therefore the Committee understands the Commission's failure so far to take such action.

CONCLUSIONS

63. The committee feels that a useful purpose would have been served if Parliament had been consulted before the report and the recommendations had been adopted by the Council.

64. The committee, while being disappointed at the slow progress towards effective action on a Community level for the Rational Use of Energy, nevertheless accepts that there are sound reasons why the Commission should not have put proposals to the Council in the form of draft directives.

65. The committee also feels that there are areas in which such draft directives could be put to the Council with the Commission's next periodical report, and looks forward in due course to being consulted on them.

OPINION OF THE COMMITTEE ON THE ENVIRONMENT, PUBLIC HEALTH AND CONSUMER
PROTECTION

Draftsman : Mr E. Muller

On 23 June 1976 the Committee on the Environment, Public Health and Consumer Protection appointed Mr E. Muller draftsman of the opinion.

It considered the draft opinion at its meeting of 28 June 1976 and adopted it unanimously.

Present: Mr Della Briotta, chairman; Mr Jahn and Lord Bethell, vice-chairmen; Mr Bourdellès, acting draftsman; Mr P. Bertrand, Mr Creed, Mr Delmotte (deputizing for Mr Adams), Mr Guerlin, Mr Martens, Mr Noè, Mr Rivierez, Mr Schwabe and Mr Springorum.

I. Introduction

1. This document is the first periodical report by the Commission on the situation in the Member States and the realization of the Community's objectives in the field of the rational use of energy. It also contains (in Annex 2) five draft recommendations adopted by the Council with the aim of bringing about a further reduction in energy consumption.

2. After the energy crisis in 1973 measures were taken in the Member States to rationalize energy consumption. These measures were of various kinds and differed considerably as regards their scope and the extent to which they were binding.

The Commission also notes that these measures did not produce satisfactory results and it will therefore be necessary to take further measures at Community level.

3. A number of working parties have studied this problem and submitted interim reports which were used as a basis for the five draft recommendations. These recommendations have already been approved by the Council.¹

It is therefore superfluous to express an opinion on this document and it would be more to the point for your committee to consider to what extent these recommendations will in fact lead to a reduction in energy consumption and consequently to a reduction in environmental pollution.

II. Draft recommendations

4. The first two draft recommendations relate to improvements in the thermal insulation of buildings and the regulation of heating systems in existing buildings.

Both these measures would cut down energy consumption and hence reduce air pollution. In particular, a lower consumption of fossil fuels, the main source of suspended particles, would help to reduce air pollution.

5. The third recommendation relates to the rational use of energy consumed by road vehicles through better driving habits. In this case too, your committee is in favour of the idea insofar as the recommendation, if put into effect, will substantially reduce air pollution. However, since it is only a recommendation, it cannot be depended upon to produce positive results. Your committee therefore requests the committee responsible to urge the Commission to submit, in the near future, proposals for reducing the energy consumption of motor vehicles.

¹ OJ No L 140, 28.5.1976, pp. 11 - 19

6. Your committee welcomes the recommendation on the development of public urban transport since this too would lead to a substantial reduction in air pollution. For example the construction of parking areas outside town centres from which motorists are taken to their destination by convenient public transport services has already produced satisfactory results in many places.

7. Your committee feels that the fifth recommendation, relating to electric household appliances, is in a different category from the rest of these recommendations and that this subject would be more appropriately dealt with by a directive making it compulsory to provide appropriate and comprehensive information on the labels of such appliances. This would ensure a more rational use of energy and provide adequate information and protection for the purchasers of such appliances.

Conclusions

8. The Committee on the Environment, Public Health and the Consumer Protection agrees in principle with these recommendations since a rational use of energy would result in a reduction in air pollution.

As regards the recommendations on motor vehicles and household appliances, however, it requests the committee responsible to incorporate the observations made in points 5 and 7 of this opinion in its report.

9. Finally, your committee would point out that the Council had already taken a decision on this first periodical report before the European Parliament had delivered its opinion. It therefore expressly asks the Commission to take steps to ensure that this does not happen in future, so that the Council can take the European Parliament's opinion into account when considering subsequent periodical reports on the rational use of energy.

OPINION OF THE COMMITTEE ON REGIONAL POLICY, REGIONAL PLANNING AND
TRANSPORT

Draftsman : Mr C. B. McDONALD

On 23 June 1976 the Committee on Regional Policy, Regional Planning and Transport appointed Mr McDonald draftsman.

It considered the draft opinion at its meeting of 14 July 1976 and adopted it by 15 votes to 1 with 1 abstention.

Present: Mr Evans, chairman; Mr Nyborg, vice-chairman;
Mr McDonald, vice-chairman and draftsman; Mr Meintz, vice-chairman;
Mr Albers, Mr Albertsen (deputizing for Mr Knud Nielsen), Mr Delmotte,
Mr Ellis, Mrs Ewing, Mr Fletcher, Mr Gerlach, Mr Kavanagh, Mrs Kellett-
Bowman, Mr Martens (deputizing for Mr Pêtre), Mr Mursch, Mr Osborn and
Mr Schwabe.

A. Introduction

1. The Committee on Regional Policy, Regional Planning and Transport requested authorization to deliver an opinion on the First Periodical Report on the Community Action Programme for the Rational Use of Energy and the draft recommendations adopted by the Council on 4 May 1976, and more particularly on two of the five draft recommendations relating to the transport sector:

- Draft Council Recommendation on the Rational Use of Energy consumed by road vehicles through better driving habits¹
- Draft Council Recommendation on the Rational Use of Energy used during the urban transport of passengers².

2. The Council document concerned has limited applications, both legally and as regards its content. While the committee can appreciate the technical difficulties encountered in this field - which are due, in particular, to an absence of reliable and comparable statistical data - it nevertheless regrets that preference has been given to recommendations rather than more legally binding provisions.

3. Moreover, rail transport, transport by sea and by inland waterway and air transport are not covered by the Council document. In the following opinion your rapporteur has therefore decided not to consider the specific problems of these transport sectors in detail, despite the extent of the difficulties encountered, notably in air transport, which has been particularly hard hit by the oil crisis.

4. The Committee on Regional Policy, Regional Planning and Transport has always condemned piecemeal policies and would much prefer to see the problem tackled as a whole. Although your rapporteur is aware that the situation in the energy sector is subject to a variety of problems, he nevertheless regrets the lack of an effective Community policy as called for in the Council resolution of 17 September 1974³.

5. Since the recommendations, which are dealt with in more detail below, can contribute, if only to a limited extent, to energy saving, your rapporteur feels able to approve them.

¹ OJ No. L 140, 28.5.1976, p.14

² OJ No. L 140, 28.5.1976, p.16

³ OJ No. C 153, 9.7.1975, p.1

He is all the more willing to do so when it is remembered that the transport sector accounts for rather more than one fifth of total oil consumption in the Community. It may be added that the share of private motor vehicles in total oil consumption and total energy consumption amounts to 11.8% and 7.2% respectively¹.

B. Draft Council Recommendation on the Rational Use of Energy consumed by road vehicles through better driving habits

6. This draft recommendation relates to energy savings to be achieved by exerting psychological influences on driver behaviour, by encouraging awareness of economical driving and the choice of a more economical vehicle and proper maintenance.

7. To give drivers the opportunity to drive more economically, the Council recommends that motor manufacturers should:

- as regards an optimum speed, provide practical information on vehicle use and equip vehicles to show relevant data on the speedometer or revolution counter, or fit a control device;
- distribute practical information on correct engine tuning;
- fit radial-ply tyres on all vehicles.

The users themselves are to be urged to ensure correct ignition timing and carburettor settings.

8. The provision of practical information on the improved use of motor vehicles as such presents no problem. Nor do the suggestions as regards the speedometer and revolution counter constitute an insuperable obstacle. But it is doubtful if the optimism of Sub-Group C, responsible for seeking energy economies from the improved design and use of motor vehicles, is justified when it expresses the hope that motor vehicle manufacturers will voluntarily equip vehicles with a vacuum gauge or other device to measure driving performance (see Annex C, p. 4, paragraph 2.1.2., last indent). In view of the cost involved and the problems of competition with non-European manufacturers, we are not inclined to take this for granted.

¹ Figures for 1973. Source: Report by Mr SEZZI on the rational use of energy and raw materials submitted to the European Automobile Symposium held from 9 to 12 December 1975 in Brussels under the auspices of the Commission of the European Communities, p. 21.

9. According to Sub-Group C, the majority of engines are poorly tuned and deficient ignition timing and carburettor settings result in higher energy consumption. To overcome this drawback, it is proposed converting as far as possible to electronically controlled ignition and including engine tuning in the periodic servicing of motor vehicles and arranging to have it checked during vehicle roadworthiness tests.

These suggestions deserve support, but it should be noted that electronic ignition systems are more expensive, that smaller garages in particular are not always equipped to ensure precise engine tuning and that vehicle inspections are not everywhere compulsory. In this connection the Council should adopt the proposal for a Directive on the approximation of the laws of the Member States relating to roadworthiness tests for motor vehicles and their trailers submitted by the Commission in 1972¹ and on which the European Parliament delivered a favourable opinion on the basis of the report by Mr Herbert².

10. The recommendation on the introduction of a standard fuel consumption test and the publication of the results for every vehicle marketed can also be approved.

11. Finally, Sub-Group C recommends the use of radial, as opposed to cross-ply tyres, whereby energy savings of 5 to 10 per cent can be achieved. A recent study conducted by the International Road Union (IRU) indicates savings of up to 15 per cent, at least in the case of goods vehicles³.

12. Sub-Group C came to a number of conclusions in its report that have not been taken up in the draft recommendation and which relate to vehicle design. They include references to reductions in motor vehicle weight, a decisive factor in the level of fuel consumption, and streamlining which, in view of the air resistance to be overcome, in particular at high speeds, can result in substantial fuel economies.

¹ OJ No. C 119, 16.11.1972, p.1 .

² Doc. 343/73, OJ No. C 23, 8.3.1974

³ 'Améliorations du rendement énergétique du transport par camions - les caractéristiques des véhicules', Geneva 1976, p. 14

13. Your rapporteur wonders whether it would not also be desirable to encourage the use of diesel engines in future, in view of the considerable energy savings associated with their use. The difference in energy consumption between diesel engines and the conventional spark ignition engine is difficult to calculate and opinions still vary as to the amount of energy saved. In the view of Sub-Group C, however, consumption can be reduced by up to half in urban travel. On average, savings of 25 to 30 per cent are possible.

Your committee therefore urges the Commission to consider whether tax concessions on the use of diesel engines, such as already apply in Belgium, the Netherlands and Italy, should not be extended to Community level.

14. A selective fiscal policy could also help to ensure that prospective buyers would be influenced by economy considerations in their choice of vehicle.

15. The Committee on Regional Policy, Regional Planning and Transport hopes that the work of Sub-Group C will continue and that it will shortly submit supplementary proposals, while continuing to investigate fundamental technical improvements, such as more advanced engines and alternative sources of energy, with a view to submitting proposals on more significant measures in the long term.

C. Draft Council Recommendation on the Rational Use of Energy used during the urban transport of passengers

16. This draft recommendation deals with the problem of encouraging the use of public transport in towns (Paras. 1, 2, 3, 4 and 7).

17. As it has already stated, the Committee on Regional Policy, Regional Planning and Transport intends, following approval of the report by Mr Seefeld on future intercity transport, to request the President of the European Parliament for authorization to draw up an own-initiative report on urban transport.

At an exchange of views in committee and during the public hearing held in connection with Mr SEEFELD's report on 19 and 20 May 1976 in Brussels, the majority of members favoured priority for public transport.

18. Your rapporteur readily approves the particular measures proposed, such as appropriate traffic control in urban areas, with the provision of bus lanes, extensive parking facilities on the outskirts of towns, synchronization of traffic lights, the creation of pedestrian precincts, and so on.

19. Your committee is fully aware that the restriction of the use of private cars is no easy matter and that there is little scope for Community action in this field. It nevertheless feels that Sub-Group D - responsible for investigating the improvement of transport structures - should report for the benefit of regional and local authorities on possible measures to limit the use of private cars in urban areas.

20. Moreover, the authorities and other institutions concerned should insist (or continue to insist) on public transport being made as attractive as possible (by improving standards of comfort, frequency, reliability and speed, etc.) so that it provides a real alternative.

D. Conclusions

21. The Committee on Regional Policy, Regional Planning and Transport, in common with the Committee on Energy and Research, regrets the Council's failure to consult the European Parliament on the draft recommendations under consideration, and hopes that Parliament will subsequently be given an opportunity to deliver its opinion.

22. The committee also expresses its regret at the lack of an overall energy saving strategy and urges the Commission to submit a set of coherent proposals to the Council in this connection as soon as possible.

With a view to drafting and implementing an overall policy, the studies and enquiries already initiated must be continued and the necessary information and statistical data obtained. This will enable properly considered measures to be taken in an appropriate legal setting giving them a more binding force than mere recommendations.

23. The Committee on Regional Policy, Regional Planning and Transport approves the content of the draft recommendations, since it feels that consumption of increasingly expensive sources of energy can thereby be reduced.

