

# Procedure file

Basic information		
COS - Procedure on a strategy paper (historic)	<a href="#">2000/2335(COS)</a>	Procedure completed
Energy: European Union's oil supply, situation and prospects, cost and prices		
Subject		
3.60.02 Oil industry, motor fuels		
4.60.06 Consumers' economic and legal interests		

Key players			
European Parliament	Committee responsible	Rapporteur	Appointed
	<b>ITRE</b> Industry, External Trade, Research, Energy		07/11/2000
		PSE <a href="#">LINKOHR Rolf</a>	
	Committee for opinion	Rapporteur for opinion	Appointed
	<b>AFET</b> Foreign Affairs, Human Rights, Common Security, Defense		23/01/2001
		PSE <a href="#">MENÉNDEZ DEL VALLE Emilio</a>	
	<b>ECON</b> Economic and Monetary Affairs		27/11/2000
		PPE-DE <a href="#">MARINOS Ioannis</a>	
	<b>ENVI</b> Environment, Public Health, Consumer Policy		27/02/2001
		NI <a href="#">KRONBERGER Hans</a>	
	<b>RETT</b> Regional Policy, Transport and Tourism		24/01/2001
		PSE <a href="#">SWOBODA Hannes</a>	
Council of the European Union European Commission	Commission DG Energy and Transport	Commissioner	

Key events			
11/10/2000	Non-legislative basic document published	COM(2000)0631	Summary
15/01/2001	Committee referral announced in Parliament		
25/04/2001	Vote in committee		Summary
25/04/2001	Committee report tabled for plenary	<a href="#">A5-0163/2001</a>	
13/06/2001	Debate in Parliament		
14/06/2001	Decision by Parliament	<a href="#">T5-0350/2001</a>	Summary

14/06/2001	End of procedure in Parliament		
28/02/2002	Final act published in Official Journal		

Technical information	
Procedure reference	2000/2335(COS)
Procedure type	COS - Procedure on a strategy paper (historic)
Procedure subtype	Commission strategy paper
Legal basis	Rules of Procedure EP 142
Stage reached in procedure	Procedure completed
Committee dossier	ITRE/5/13853

Documentation gateway					
Non-legislative basic document		COM(2000)0631	11/10/2000	EC	Summary
Committee report tabled for plenary, single reading		<a href="#">A5-0163/2001</a>	25/04/2001	EP	
Text adopted by Parliament, single reading		<a href="#">T5-0350/2001</a> OJ C 053 28.02.2002, p. 0244-0397 E	14/06/2001	EP	Summary

## Energy: European Union's oil supply, situation and prospects, cost and prices

**PURPOSE:** to present a Commission Communication on the European Union's oil supply. **CONTENT:** Oil prices in 2000 reached historical levels since the Cold War. This increase in oil prices since early 1999 has triggered a debate over the three components of the prices paid by European consumers: the price of crude oil, refining and distribution margins and the taxation of oil products. Against this background, the vulnerability of the European Union (EU) to the increased oil price recalls the need for a policy of reduction in the energy intensity of our economies. A stable and predictable level of fuel prices could give rise to both economic and environmental benefits. Medium and long terms prospects that have to be taken into account include the environment and security of supply. While there exists EU legislation in the field, possible actions to address the oil crisis could be in the following areas: - relations with producer countries; - competition policy in the oil sector downstream (refining - distribution); - use of tax instruments; - achieving a balance between modes of transport; - making Europe's economy less oil-intensive. Furthermore, proposed elements of an EU strategy to counter its over dependence on oil as a form of energy include the following: - the Commission intends to present a plan at the European Council in Gothenburg to save energy and diversify sources with targets for 2010; - the future of and relationships between the different sources of energy are the subject of a Green Paper on security of supply due to be adopted by the Commission by the end of the year; - special efforts are required to redress the balance in favour of rail and short sea shipping by a substantial improvement in the economic effectiveness; - the EU must set up an ongoing dialogue with producer countries, especially OPEC, to make for maximum market transparency and help establish stable prices; - as regards market transparency, producer countries and market and industry players should be encouraged to improve pricing indicators, based notably on a global index reflecting the whole market; - the temptation must be resisted to offset rises by cutting taxes; - the Commission will look at the possibility of linking the alignment of fuel taxes with the higher rates (structural component) with a Community mechanism to help stabilise VAT revenue in the event of major fluctuations in oil prices; - greater cooperation is needed to rehabilitate production and transport installations in Russia and to capitalise on the prospects opened up by oil and gas from the Caspian Sea basin, in particular under the INOGATE programme; - the Commission will actively develop, in cooperation with the Member States, the scrutiny of the competition rules in the sector of oil product distribution; - the Commission intends to facilitate the exchange of experience on the appropriate means of alleviating the effects of the oil price increase for those who are most dependent on it and to reduce the risk of social exclusion in line with the conclusions of the Lisbon summit; - finally, the Commission will look at ways of increasing strategic oil stocks by bringing their use into the Community framework. To combat speculation, ways need to be found, like on the money markets, of limiting price volatility. ?

## Energy: European Union's oil supply, situation and prospects, cost and prices

The committee has adopted the report by Mr Rolf Linkohr (PSE, D) on the European Union's oil supply. The report emphasises that the EU institutions and Member States must coordinate their energy-supply strategies as closely as possible. Europe must establish a permanent dialogue with the major oil-producing countries and organisations, especially OPEC, the Russian Federation and the Caspian Sea States, and must speak with a single voice in its dealings with them. Given Europe's strategic interest in a stable energy supply, there is a need to develop long-term strategies for the Persian Gulf, Caspian Sea and Caucasus regions with a view to diversifying EU energy imports, limiting the market power of OPEC and contributing to the stabilisation and development of these regions. The committee also deems it necessary that a coordination mechanism be created to enable the Union to respond in a coordinated manner to a short-term increase in the price of oil. The report also emphasises the differences in taxation levels between the EU and the United States and Japan. Taxation of energy accounts for 2.1% of GDP in the EU, compared with only 0.9% in Japan and 0.5% in the United States. The rapporteur urges the Commission to make every effort to ensure that the burden of responsibility for achieving the emission targets defined in Kyoto is more evenly spread. The

parliamentary committee also calls on the EU to step up its efforts to replace mineral oil as far as possible with other sources of energy. It notes that oil is a precious non-renewable resource that must not be used wastefully. It therefore approves the Commission's proposal to submit to the Council at its Gothenburg summit a plan for energy savings and diversification of energy sources, the aims of which will be to achieve more efficient use of energy, particularly in buildings, and to promote the development of a new generation of vehicles. The committee also welcomes all efforts to reduce energy consumption in the transport sector and recommends that research in this area should be given priority in the Sixth Framework Programme. ?

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The European Parliament adopted the report by Mr Rolf LINKOHR (PES, D) by 318 to 59 with 26 abstentions. (Please refer to the previous document).?