

Position on evaluation of Council Directive 2009/119/EC

Based on the analysis presented in this report on mid-term evaluation of the functioning and implementation of Council Directive 2009/119/EC imposing an obligation on Member States to maintain minimum stocks of crude oil and/or petroleum products, we consider the following:

We evaluate positively the focus given to the functioning and implementation of the Council Directive 2009/119/EC with its first review. In the report of Trinomics, it is noted that the objectives of the Directive have largely been achieved. The availability and transparency of the emergency stocks have improved to some extent, in this respect there is a better harmonization with the International Energy Agency (IEA) system. The administrative burden has however not decreased, as was intended. The information collected as part of this mid-term evaluation points at a moderate rise in the administrative burden.

We admit positively the proposals for efficiency improvement and specifying some provisions of the Directive to avoid any misinterpretations and misapplication.

Regarding the recommendations in the Trinomics's report, we consider the following:

We support the proposal for reconsideration the application of 10 % deduction rule of already created levels of stocks, acknowledging the fundamental difference between the IEA system (in which all stocks can be counted to meet the obligation, incl. commercial) and EU system (which makes a distinction between emergency and commercial stocks and requires the full availability and accessibility of emergency stocks at all times). The removal of the 10 % deduction rule could lead to a deviation from the IEA system. To reach a better harmonization with the IEA system is necessary to consider all the stocks held incl. commercial, when reporting the fulfillment of obligations to the EU system.

We admit positively the proposal for creation of harmonized conditions for cross-border stockholding as the European Commission provides guidance on the conditions and characteristics under which Member States can hold stocks and tickets abroad. It is necessary to develop binding conditions for holding stocks cross-border in the EU, describing the rights and obligations of the Member States with regard to cross-border stocks and tickets (mainly related to information provision, auditing, and reporting of emergency stocks). The content of this document would have to be developed in close cooperation, agreed upon by all Member States, and could become an Annex to the Directive.

We support the recommendation about changing the wording in Annex III, regarding Methodology for calculating stocks levels in regard of that crude oil, NGL and refinery feedstocks are deducted with the average naphtha yield of 4%. This calculation applies to both the EU and the IEA system. Annex III to the Directive however suggests that in the EU system the 4% is only deducted from "crude oil stocks".

In relation to ascertained statistical discrepancies between Member States' statistical reports on cross-border stocks and tickets, we support the proposal to introduce a standard and agreed (statistical) definition (publicly available list of products, including their definition and accompanying energy statistics code/ Combined Nomenclature (CN code) for determination of all oil products that could be referred to the harmonized conditions above. So that the Member States would use the same, (statistical) definition to refer to the same product held cross-border. We also support the idea about the establishment of a European register for emergency cross-border stocks in order to improve the transparency and control related to

delegation of obligations, which also would contribute to reducing discrepancies in the statistical reports to the European Commission.

We evaluate positively the focus raised by the Member States in the review of oil and oil products stocks legislation to the composition of the maintained emergency stocks and consider that their type should be clearly defined. To calculate the levels on the basis of the consumption are used precisely defined oil products, but on the basis of net import the scale of the oil products is wider including ethane, white spirit, bitumen, paraffin waxes, petroleum coke. That is why it is better the products to be precisely defined. Additionally, we consider that ethane, white spirit, bitumen, paraffin waxes, petroleum coke, are not suitable for creating and maintaining emergency stocks, because in case of crisis the most consumed finished petroleum products (motor gasoline, gas/diesel oil, kerosene type jet fuel) and oil are crucial to energy security. In support of this is also the fact that only three Member States maintain petroleum coke stocks.