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(Acts whose publication is obligatory)

**REGULATION (EEC) No 3056/73 OF THE COUNCIL
of 9 November 1973**

on the support of Community projects in the hydrocarbons sector

THE COUNCIL OF THE EUROPEAN
COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community and in particular Article 235 thereof;

Having regard to the proposal from the Commission;

Having regard to the Opinion of the European Parliament⁽¹⁾;

Having regard to the Opinion of the Economic and Social Committee;

Whereas the establishment of a common energy policy is one of the objectives which the Communities have set themselves and whereas it is for the Commission to propose the measures to be taken to that end;

Whereas the importance of hydrocarbons in supplying energy for the Community and the Community's dependence on imports of hydrocarbons make it a fundamental objective of such a policy to secure conditions ensuring long-term supplies;

Whereas the promotion of projects of technological development directly associated with prospecting for, extracting, storing or transport of hydrocarbons, tend by their nature to improve the security of supplies and could be a means of achieving such a policy;

Whereas in the first instance it is for the petroleum industry itself to finance such activities; whereas the Community should however, in view of the high risk and large investments inherent in such activities, provide for the possibility of granting support, especially to the extent that a pooling of effort at Community level would help in carrying out such activities;

Whereas Community projects which are of fundamental importance in ensuring the Community

supply of hydrocarbons and which relate to technological development projects directly associated with prospecting for, extracting, storing or transporting, would benefit from such support; whereas this support should be of a financial character;

Whereas the Community should grant such benefits in accordance with the provisions of the Treaty governing competition;

Whereas, in view of the need to confine such support to that which is strictly essential, the Community must be able to avail itself of all means of evaluating, case by case, what benefits may be derived from such projects and whether they are consistent with the objectives of the Community energy policy;

Whereas for this purpose, in exchange for the benefits granted, the beneficiaries of such support must enter into commitments in respect of the Community;

Whereas the specifically international character of the organization and activities of the undertakings operating in the hydrocarbons sector justifies direct transmission to the Commission of full details of Community projects;

Whereas the Treaty does not provide the powers necessary for the establishment of such a system,

HAS ADOPTED THIS REGULATION:

Article 1

The Community may, in accordance with the conditions laid down hereinafter, grant financial support, in so far as this is essential, for the carrying out of projects (Community projects) which are of fundamental importance in ensuring the Community's supply of hydrocarbons.

¹⁾ OJ No C 46, 9. 5. 1972, p. 21.

Article 2

All projects shall concern technological development directly connected with prospecting, producing, storing or transporting hydrocarbons.

Article 3

The responsibility for each of the projects must devolve upon a natural or a legal person constituted in accordance with the laws in force in the Member States of the Community.

If the creation of a legal entity to undertake a project involves additional costs for the participating firms, such a project may be carried out by simple cooperation between natural or legal persons. In this case, these persons shall be jointly and severally liable for the obligations resulting from Community support.

Article 4

The support granted to a project may take the following forms: Community participation in the financing of this project as part of the appropriations made for this purpose in the general budget of the Communities, taking into account any other Community financial intervention from which this project may benefit, in particular that of the European Investment Bank by granting the following advantages: loan guarantees, loans, subsidies repayable under certain conditions.

The nature and extent of the support which may be granted to a project shall depend on the purpose of the project in question.

Such support shall constitute only a minor proportion of the financing of the project.

Article 5

1. Any project emanating from a Member State or from any other source shall be submitted for examination by the Commission, which shall consult the Member States.

The Commission shall consult the Member States before submitting a project to the Council on its own initiative.

2. The Commission shall forward to the Council, together with its reasoned opinion, a report on the scheme as a whole.

This report shall give:

- a detailed description of the scheme;
- the financial situation and the technical capacities of those responsible for the project;

- the benefits of the project as regards securing Community supplies of hydrocarbons;
- the nature and extent of the risks involved in the project and its estimated profitability;
- the cost of the project and the methods of financing for its implementation;
- any other factor justifying the nature and the extent of the support which the Commission proposes should be granted to the project;
- the time-scale for the project, and the possibilities of reducing it;
- the measures of support, agreed to or anticipated, by the Member States for the implementation of the project;
- possible intervention by the European Investment Bank.

3. The Commission shall submit to the Council a proposal providing, as appropriate, for:

- (a) the allocation of the measures of support referred to in Article 4;
- (b) the commitments which the beneficiary will need to enter into in respect of the Community.

Article 6

1. The Council, having been seized by the Commission, may request from it such further information and investigation as it deems necessary.

2. The Council shall take a decision unanimously, acting on a proposal from the Commission.

Article 7

The benefits granted by the Community may not modify the conditions of competition in a way incompatible with the provisions of the Treaty in this field.

Article 8

Those responsible for implementing a project in receipt of Community support shall each year submit to the Commission, which shall inform the Council thereof, a report on the progress of work on the scheme and on the expenditure involved in its implementation.

The Commission shall at all times have access to the accounts of the project.

Article 9

The information gathered pursuant to this Regulation shall be confidential.

Parliament and to the Council, which shall express its opinion on the report.

*Article 11**Article 10*

The Commission shall submit an annual report on the application of this Regulation to the European

This Regulation shall enter into force on the day following its publication in the *Official Journal of the European Communities*.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels, 9 November 1973.

For the Council

The President

Per HÆKKERUP
