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## EVALUATION OF DIRECTIVE 2009/119/EC

***Europe's Independent Fuel Suppliers welcome the EU Consultation on the Evaluation of Directive 2009/119/EC imposing an obligation on Member States to maintain minimum stocks of crude oil and/or petroleum products, believing that stakeholders and citizens' views and suggestions are crucial for future legislation.***

The European Commission has launched a public consultation on the Evaluation of Directive 2009/119/EC which imposes an obligation on Member States to maintain minimum stocks of crude oil and/or petroleum products. UPEI, the voice of Europe's independent fuel suppliers, welcomes the public consultation which will help to assess how the directive has been implemented in the Member States and to identify possible areas for improvement or simplification.

The independent fuel supply sector represents a comprehensive, Europe-wide asset which is contributing to Europe's security of supply. Independent fuel suppliers are not involved in energy production but assure a complex and dependable infrastructure, providing reliable storage, including emergency stocks, and distribution networks.

UPEI supports the maintenance of emergency stocks and recognises its importance as an integral part of the EU's strategy on security of energy supply. UPEI believes that EU legislation in this field is beneficial and has contributed positively towards Europe's energy security.

Nevertheless, UPEI has raised concerns relating to the fact that the directive has not always been implemented in a harmonised manner across the EU. This lack of harmonisation can create distortions and competitive disadvantages as well as additional costs, which are ultimately paid by consumers.

Fundamental to the directive, UPEI believes is the need to harmonise across the EU the definition of products kept as emergency stocks i.e. name, type / CN custom codes to facilitate the recognition of the product.

The list of allowed products for emergency reasons should consist only of strategic products that could be useful in an emergency situation, and products such as petrol coke, paraffin, sulphur, bitumen, lubricants should be eliminated.

Similarly, UPEI supports the view that naphtha should be excluded from the scope of the directive which should focus on the availability of finished products and crude, as the feedstock needed for processing in the event of an emergency. Naphtha, on the other hand, is a feedstock for both petrochemicals and transport fuels. In the case of transport it requires processing to become a gasoline blending component and, should, therefore not be considered as a priority in an emergency situation.

UPEI is, therefore, calling on the European Commission in its mid-term evaluation of the directive to address these issues as well as the need for harmonised implementation, e.g. in the way in which compulsory stocks held overseas are assessed for VAT, cross border holding requirements which distort the market for international tickets and the need to ensure that the costs of holding compulsory stocks (over commercial stocks) represents an equal burden to all agents without penalising the business model of resellers. In addition, UPEI proposes to include a mechanism to allow for the regular review of the adequacy of the 90 days stocks level.

UPEI looks forward to the results of the public consultation on the review of the directive 2009/119/EC and to representing the views of Europe's independent fuel suppliers with regards to any future proposals issued by the European Commission.

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**UPEI** represents European importers and wholesale/retail distributors of refined petroleum products and their alternatives, supplying Europe's customers, independently of the major petroleum producers.

Independent suppliers, covering more than a third of Europe's demand, play a crucial role in an evolving market by bringing competition which is vital to the economy. Their independence enables them to respond rapidly to changes in terms of market structure, products and services, contributing to security of supply on a local, regional and national level.

**UPEI** was created in 1962 with the aim of ensuring a level playing field for the supply of energy on the European market and safeguarding a competitive approach. The organisation brings together national associations and suppliers across Europe.

Today, **UPEI** also acts as an informed and responsible partner to Europe's decision-makers on the risks and opportunities involved in the transition to a genuine European Energy Union.