

II

(Acts whose publication is not obligatory)

COUNCIL

COUNCIL DECISION

of 29 March 1977

empowering the Commission to issue Euratom loans for the purpose of contributing to the financing of nuclear power stations

(77/270/Euratom)

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Atomic Energy Community, and in particular Articles 2, 172 and 203 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 ⁽²⁾,

Whereas the use of nuclear energy can reduce the Community's excessive dependence on external sources of energy and thus improve the terms on which energy is imported;

Whereas, under present technical and economic conditions, the use of nuclear energy for the production of electricity is economically advantageous and more satisfactory than the use of petroleum products;

Whereas the additional investment required for nuclear plant by comparison with conventional plant, combined with the costs arising out of the increase in the price of petroleum products which affect the operating costs of existing conventional power stations, means that electricity producers are being forced to borrow more;

Whereas Article 2 (c) of the Treaty gives the Community the task of facilitating investment and ensuring, particularly by encouraging ventures on the part of undertakings, the establishment of the basic installa-

tions necessary for the development of nuclear energy in the Community; whereas, if a contribution is to be made to the financing of nuclear power stations, arrangements must be made for borrowing and lending; whereas such action appears to be necessary if the objective set out in Article 2 (c) of the Treaty is to be attained, although the Treaty does not provide for the powers necessary for that purpose;

Whereas in view of the large amount of capital required the financing potential should be increased; whereas it appears that the Community can provide a substantial amount of aid in this field;

Whereas the Community has a duty to employ all the means at its disposal to facilitate the attainment of the aims adopted under the new common energy policy strategy,

HAS DECIDED AS FOLLOWS:

Article 1

The Commission is hereby empowered to issue loans, on behalf of the European Atomic Energy Community (Euratom) and within amounts fixed by the Council, the proceeds of which will be lent for the purpose of financing investment projects relating to the industrial production of electricity in nuclear power stations and to industrial fuel cycle installations.

The Commission shall borrow no more than the amounts of the loans for which it has received applications.

⁽¹⁾ OJ No C 157, 14. 7. 1975, p. 35.

⁽²⁾ OJ No C 248, 29. 10. 1975, p. 8.

Borrowing transactions and the lending transactions related thereto shall be expressed in the same currency and carried out on the same terms as regards the repayment of principal and the payment of interest. The costs incurred by the Community in concluding and carrying out each transaction shall be borne by the beneficiary undertakings concerned.

Article 2

The terms of loans to be issued shall be negotiated by the Commission in the best interests of the Community having regard to the conditions on capital markets and in accordance with the constraints imposed by the duration of the loans to be granted.

Article 3

The Commission shall decide on the grant of each loan. Its decisions shall be based in particular on the principle that preference will be given to the use of resources under the most profitable conditions in installations of optimum size.

Loans shall be guaranteed in the manner customary in banking practice.

Article 4

The Commission shall inform the Council and the European Parliament at regular intervals of the revenue and expenditure transactions arising out of the contracting and servicing of Euratom loans issued and granted. Each year it shall submit a review of its borrowing policy together with the budget estimates.

Article 5

Financial control and auditing shall be carried out in accordance with the Financial Regulation of 25 April 1973 applicable to the general budget of the European Communities (1).

Done at Brussels, 29 March 1977.

For the Council

The President

T. BENN

(1) OJ No L 116, 1. 5. 1973, p. 1.