

ORAL QUESTION WITH DEBATE O-0121/06

pursuant to Rule 108 of the Rules of Procedure

by James Elles, Alexander Stubb, Simon Busuttil, Simon Coveney, Richard Ashworth, Sir Robert Atkins, John Attard-Montalto, Christopher Beazley, John Bowis, Philip Bradbourn, Philip Bushill-Matthews, Milan Cabrnoch, Martin Callanan, David Casa, Giles Chichester, Den Dover, Petr Duchoň, Jonathan Evans, Louis Grech, Daniel Hannan, Malcolm Harbour, Christopher Heaton-Harris, Roger Helmer, Syed Kamall, Piia-Noora Kauppi, Timothy Kirkhope, Edward McMillan-Scott, Joseph Muscat, Neil Parish, Nina Škottová, Struan Stevenson, Robert Sturdy, David Sumberg, Charles Tannock, Geoffrey Van Orden, Ari Vatanen, Oldřich Vlasák and Jaroslav Zvěřina
to the Council

Subject: Request for the continuation of the exemption from charging full excise duty on red diesel for leisure boaters under Council Directive 2003/96/EC

Currently, derogations in Council Directive 2003/96/EC¹ allow five countries, including Finland, Ireland, Malta and the United Kingdom, to charge reduced rates of excise duty on red diesel, applying only to private pleasure watercraft. These exemptions are due to expire on 31 December 2006. However, if the current derogations were to be abolished, forcing boat owners to fill up with diesel taxed at national rates, boaters would face considerable price increases, forcing many of them out of their sport. The sector would also face high costs of compliance, for example for new infrastructure for tank facilities, while there would be an increased risk of tank tourism and fraud.

The Commission, in a recent review of the derogations, nevertheless ruled these concerns as ‘not justified’.

Is the Council aware of the potentially devastating impact of abolishing the derogation on various sectors, including water sports, tourism and the marine industry?

Does the Council share the assessment that the results of ending the exemption would in fact run directly counter to the Directive's primary aim, namely the harmonisation of tax levels on energy products so as to reduce distortions in the Internal Market?

Will the Council therefore support a renewal of the derogation after 31 December 2006 if the governments concerned apply for a renewal?

Tabled: 18.10.2006

Forwarded: 19.10.2006

Deadline for reply: 09.11.2006

¹ OJ L 283, 31.10.2003, p. 51.