

Session 3 Discussion Points



**CURRENT STOCKHOLDING PRACTICES IN
CONTRACTING PARTIES AND STOCKPILING
AGENCIES FROM CENTRAL EUROPE**

Main Topics



- 1. Current legal framework**
- 2. Institutional framework**
- 3. Technical Aspects**
- 4. Costs and Funding**
- 5. Composition of Oil Stocks**
- 6. Basic elements of emergency response**

Stockholding Structure



- What are the implications of new directive on existing structures?
- What are key elements in legal/organizational framework?
 - **Basic structure**
 - Industry agency vs. state agency vs. independent body vs. obligation on industry
 - Employee profile of stockholding bodies
 - **Responsibilities**
 - Autonomy in daily operations vs. supervising structures
 - Authority in crisis

Costs and Funding



- **Set-up costs vs. operating costs**
 - What are the key drivers?

- **How are these best covered?**
 - Government budget
 - Industry levy
 - End-consumer tax

Stockholding practices (1)



Key considerations in deciding **how** to hold stocks

- ✦ What role for industry?

(delegation of tasks to “economic operators”)

- ✦ ...and for other EU countries?

(delegation to other CSEs)

- ✦ Building own storage capacity domestically?

- ✦ Tickets

Stockholding practices (2)



Key considerations in deciding **what** stocks to hold

- ✦ Crude vs. product
- ✦ Role of bio-fuels
- ✦ Specific stocks

Basic elements of emergency response



- **Agency role beyond stockholding**
 - role in NESO, responsibility in contingency planning
 - If industry holds portion of stockholding obligation; what is agency's role in verification?
- **Agency interaction with industry**
 - What are the essential links

Good Emergency Stockholding System Attributes



- **Clear decision making structure and policy for emergency stock management and release**
- **Clear plan for actual release of stocks in crisis**
free market is used for efficient allocation of supply
- **Personnel are well-trained and familiar with procedures**
- **Stock types and locations efficiently meet demand**
- **Release is only used for major supply disruptions...**

Design of Emergency Stock System

