

e) the possibility of increasing supplies available in an emergency through savings in the distribution system.

### Article 2

1. Fuel switching capacity is defined as normal oil consumption that may be replaced by other fuels in an emergency, provided that this capacity is subject to government control in an emergency, can be brought into operation within one month, and that secure supplies of the alternative fuel are available for use.

2. The supply of alternative fuel shall be expressed in terms of oil equivalent.

3. Stocks of an alternative fuel reserved for fuel switching purposes may be credited towards emergency reserve commitments insofar as they can be used during the period of self-sufficiency.

4. Stand-by production of an alternative fuel reserved for fuel switching purposes will be credited toward emergency reserve commitments on the same basis as stand-by oil production, subject to the provisions of Article 4 of this Annex.

5. The Standing Group on Emergency Questions shall examine and report to the Management Committee on

- a) the appropriateness of the time limit of one month mentioned in paragraph 1,
- b) the basis of accounting for the fuel switching capacity based on stocks of an alternative fuel, subject to the provisions of paragraph 3.

### Article 3

A Participating Country may credit towards its emergency reserve commitment oil stocks in another country provided that the Government of that other country has an agreement with the Government of the Participating Country that it shall impose no impediment to the transfer of those stocks in an emergency to the Participating Country.

### Article 4

1. Stand-by oil production is defined as a Participating Country's potential oil production in excess of normal oil production within its jurisdiction

— which is subject to government control, and

— which can be brought into use during an emergency within the period of self-sufficiency.

2. The Standing Group on Emergency Questions shall examine and report to the Management Committee on

- a) the concept of and methods of measurement of stand-by oil production as referred to in paragraph 1,
- b) the appropriateness of "the period of self-sufficiency" as a time limit,
- c) the question of whether a given quantity of stand-by oil production is of greater value for purposes of emergency self-sufficiency than the same quantity of oil stocks, the amount of a possible credit for stand-by production, and the method of its calculation.

### Article 5

Stand-by oil production available to a Participating Country within the jurisdiction of another country may be credited towards its emergency reserve commitment on the same basis as stand-by oil production within its own jurisdiction, subject to the provisions of Article 4 of this Annex provided that the Government of that other country has an agreement with the Government of the Participating Country that it shall impose no impediment to the supply of oil from that stand-by capacity to the Participating Country in an emergency.

### Article 6

The Standing Group on Emergency Questions shall examine and report to the Management Committee on the possibility of crediting towards a Participating Country's emergency reserve commitment mentioned in Article 2, paragraph 2, of the Agreement, long term investments which have the effect of reducing the Participating Countries' dependence on imported oil.

### Article 7

1. The Standing Group on Emergency Questions shall examine and report to the Management Committee regarding the reference period set out in Article 2, paragraph