

ROLE OF THE IEA IN WORLD ENERGY SUPPLIES

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The turbulence which prevailed in the oil market throughout 1979 and 1980, even before the Iraq-Iran hostilities, together with the continuing uncertainties about oil supplies, pose a very serious threat to the economies of all Western countries. Still worse, the energy supply and price problems which now weigh so heavily are not merely short-term or passing problems. They are here to stay until consumer countries solve them, and no one country or regional grouping of countries can solve them alone. For those reasons the International Energy Agency (IEA), which is a leader in international energy policy, figures prominently in these deliberations.

I. CONSTITUTION

A few words should first be said about the International Energy Agency in lawyers' terms. The IEA is a public international organization established in accordance with an international treaty—an Executive Agreement in U.S. terminology.¹ The Agreement on an International Energy Program (I.E.P. Agreement) was signed in Paris in November 1974, in response to the then recent oil embargo and other actions taken by the oil producing countries.²

Institutionally, the IEA was lodged in the Organization for Economic Cooperation and Development (OECD), an existing interna-

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1. Agreement on an International Energy Program, Nov. 18, 1974, 27 U.S.T. 1685, T.I.A.S. No. 8278, 14 INT'L LEGAL MATERIALS 1 (1975). See also O.E.C.D. Council Decision Establishing an International Energy Agency of the Organisation, Nov. 15, 1974, O.E.C.D. Doc. C(74)203 (Final) (1974), reprinted in 14 INT'L LEGAL MATERIALS 789 (1975).

2. For the historical background to the Agency, see Scott, *Innovation in International Organization: The International Energy Agency*, HASTINGS INT'L & COMP. L. REV. 1 (1977) (Inaugural Edition).

tional organization, located in Paris. Membership in the Agency has grown from 16 to 21 countries and now includes most major Western European, North American and Pacific countries,³ which account in the aggregate for about 75% of free world oil consumption. They have joined together to form the IEA in recognition of the absolute necessity for strong measures of cooperation in dealing with a wide range of energy problems.

II. EMERGENCY OIL ALLOCATION SYSTEM

Foremost among the policy objectives of the IEA is maintenance of the emergency oil allocation system, as set out with a high degree of specificity in the I.E.P. Agreement. At the outset, this was the main purpose of the Agency, simply because the existing international institutions had proven unable to cope with the 1973-1974 crisis. It had then become clear that:

- a) there had been a growing dependence of the industrial democracies on imported oil over the previous decade;
- b) this dependence made them vulnerable to deliberate action by oil producing countries motivated by political or economic objectives;
- c) scrambling for available oil would result in unfair distribution, upward pressure on prices and political uncertainties among the consumer countries;
- d) OECD had in place for European countries stock and allocation measures, but they were not employed in the crisis; even the OECD oil information system was not adequate for the task; and
- e) there was a perceived need for effective international governmental cooperation to deal with these vital and urgent concerns.

It is a commonplace saying among international lawyers that whenever a new international problem arises, someone in Washington invents a new international organization to deal with it. In this case the man in Washington was Henry Kissinger and the new organization was the International Energy Agency, which was designed, principally, to manage new international treaty commitments on emergency oil stocks, demand restraint and emergency allocation of oil.

This was done in IEA without governments retaining the veto

3. Participating countries of the IEA are Australia, Austria, Belgium, Canada, Denmark, West Germany, Greece, Ireland, Italy, Japan, Luxembourg, the Netherlands, New Zealand, Portugal, Spain, Sweden, Switzerland, Turkey, the United Kingdom, and the United States. Norway is an associate member. Thus, IEA membership includes all O.E.C.D. countries except Finland, France and Iceland.

powers which had threatened to frustrate OECD action in 1973 and 1974. The IEA may act through its international secretariat in a more or less automatic system without the need for political decisions.⁴ Should the occasion arise, it is supported by a vastly improved information system and infrastructure, which are in place and ready to go.

Since 1974, the emergency system has been refined and further developed, but has not yet been triggered. There was recently added to the system an IEA Dispute Settlement Centre for arbitration of disputes between parties to an IEA emergency supply transaction. The system has also been tested during simulated emergencies—as recently as autumn 1980—and is fully ready on a standby basis to operate in the oil supply emergencies the Agency hopes will never arise.

III. REDUCTION OF DEPENDENCY ON IMPORTED OIL

From the outset, the guiding organizational concepts were much broader than the emergency sharing system. Very deep concerns were expressed about reduction of dependency, the development of alternative supplies, cooperation with the oil producers, and action on prices. Each of these concerns has now been translated into cooperative international policy in the Agency. Indeed, those policies have become the dominant force in the outlook and functions of the Agency over the first five years of its life.

It soon became apparent that IEA governments needed clear assessments of the available oil at a reasonable point in the midterm future, about 1985. They needed to know the expected levels of oil demand and the amount of any shortfall. Meeting in the Governing Board during December 1979, Ministers from IEA countries, including Secretary Duncan for the United States, set the 1985 oil import objective for the Group at 24.6 million barrels per day (mbd), a reduction from the 26mbd level initially set in 1977.⁵ The 1985 Group Objective

4. The IEA Secretariat consists of approximately 125 international civil servants who function independently of their respective governments and are responsible solely to the Governing Board and the other organs of the Agency. It is this Secretariat which makes the technical finding of a sufficient oil supply shortfall to trigger the emergency sharing system. See Agreement on an International Energy Program, Art. 19, *supra* note 1. Composed of high level or ministerial representatives of each Participating Country, the Governing Board has the power to make decisions which are legally binding on the governments. The major plenary organs of the Agency are four Standing Groups and two other bodies which examine most questions before they are submitted to the Board for decision. The Standing Groups deal with Emergency Questions (SEQ), the Oil Market (SOM), Long-Term Cooperation (SLT) and Relations with Producer and Other Consumer Countries (SPC). A Committee is responsible for Energy Research and Development and there is an Ad Hoc Group on International Energy Relations.

5. IEA Press Release, IEA/PRESS(79)28, at 3 (Paris, Dec. 10, 1979). Copy on file with the HOUSTON JOURNAL OF INTERNATIONAL LAW.

has now been broken down among the Agency countries so each of them has a political commitment to achieve an individual country goal.⁶ The United States goal of 8.9mbd corresponds to the commitment made by President Carter at the Tokyo Economic Summit in 1979. However, the Agency's continuing assessments show that these estimates are still too high. They will have to be reduced and IEA oil consumption will have to be reduced even more than initially foreseen in the 1985 oil import goals.

In 1977, a Group Objective was first adopted as an oil management tool. The Agency's Governing Board realized that governments would have to focus next on specific policy measures, so twelve principles of energy policy were adopted by the Board as guidance in achieving the Objective.⁷ They are concerned with energy conservation, domestic energy prices, the replacement of oil with coal, the development of coal utilization policies, steady expansion of nuclear power, greater availability and more efficient use of natural gas, increased emphasis on research and development and the establishment of a favorable investment climate for alternative sources of energy. These principles provide an overall policy framework for governments and the Agency.

Early in 1979, the Agency realized that not only was the then current Objective for 1985 unrealistic, but also that immediate action had to be taken in response to the situation in Iran. The shortfall in supplies was not, at that time, sufficient to trigger the emergency sharing system, which requires a 7% shortfall, but was about half that amount. Still, this was quite sufficient to create an immediate problem for some countries and to increase the risk of even more serious setbacks if oil production were reduced elsewhere. In response, early in March 1979, the Governing Board adopted a demand restraint action by which IEA countries agreed to reduce their imports of oil on the world market in 1979 on the order of 2mbd, which was about 5% of expected consumption.

The prospect of serious problems continuing in 1980 induced Ministers to take a more far-reaching commitment to reduce oil consumption in 1980 on the basis of specific country-by-country targets. Each country has an oil import ceiling for 1980; in the case of the United States, the ceiling is fixed at 8.9mbd. Since the United States 1985 goal is also 8.9mbd, the United States will be required to maintain its oil imports over the next five years at a constant level. If economic growth

6. *Id.*

7. IEA Press Release, IEA/PRESS(77)10, Annex I, at 4-8 (Paris, Oct. 6, 1977). Copy on file with the HOUSTON JOURNAL OF INTERNATIONAL LAW.

is to be maintained, this will require quite drastic savings through conservation and the development of alternative sources. By May 1980, still tighter prospects for future oil imports required further reduction in the 1985 Group Objective, and IEA Ministers accordingly agreed that results actually achieved should undershoot the previous objective by about 4mbd. The exact amount was to be determined as more information became available in the course of the IEA monitoring process.⁸ They also agreed that these efforts will have to continue beyond 1985 in order to reduce the share of oil in total energy demand from 52% in 1980 to about 40% by 1990.⁹ Meanwhile, since the high risk of further short-term deterioration in the oil supply situation could give rise to the need for additional oil import discipline, IEA Ministers also agreed on a system for adjusting national import ceilings and goals, which would be carried out within the IEA framework.¹⁰

With these measures in place, the Agency now has a major management tool to assess the available oil, demand levels, and the prospective shortfall and thus, to have a basis for clear and realistic judgments about action which must be taken to maintain a proper balance between supply and demand over the years ahead. The monitoring process also provides for early warning of potential failure of performance by any particular country, or the group as a whole.

Foremost among the longer-term policy actions to be taken in this process are increased energy conservation and the development of alternative energy sources. The Agency has a particularly active conservation program which includes public information activity, pricing policies, incentives to stimulate investment, consumption efficiency investigations, and research and development. It carries out an annual review of national conservation programs, examines measures taken in IEA countries, and makes recommendations for improvements in conservation. The resulting reports are published and widely circulated.

IV. GREATER UTILIZATION OF COAL

Early on in the life of the International Energy Agency, it became clear that, at least in the "medium term," the only realistic alternative energy sources able to make a major contribution were going to be coal and nuclear power. More exotic energy sources were still largely in the research and development phase and were expected to make a major contribution in the future. The IEA Secretariat went to work first on

8. IEA Press Release, IEA/PRESS(80)8, at 3-4 (Paris, May 22, 1980). Copy on file with the HOUSTON JOURNAL OF INTERNATIONAL LAW.

9. *Id.* at 4.

10. *Id.* at 4-6.

the problems involved in greater utilization of coal. This obviously meant that there would be a need for an assured source of supply of coal through a free international market.

Meeting in May 1979, IEA Ministers agreed upon Principles for IEA Action on Coal.¹¹ These Principles provide, in brief, for domestic policies favoring greater utilization of coal and the removal of import restrictions on coal. On the coal exporters' side, the Principles require IEA countries to promote coal for export, provide for the creation of a favorable investment climate for its export and call for strong commitments not to place new restrictions on the development, use and export of coal.¹² IEA also established a Coal Industry Advisory Board composed of about 30 individuals of high standing in coal-related enterprises. The United States is represented on this Board by the chairmen or chief executive officers of a number of important United States companies.

V. NUCLEAR ENERGY POLICY

IEA policy on the much more controversial use of nuclear energy is also quite clear. The Agency's Principles for Energy Policy¹³ provide for:

Steady expansion of nuclear generating capacity as a main and indispensable element in attaining the group objectives, consistent with safety, environmental and security standards satisfactory to the countries concerned and with the need to prevent the proliferation of nuclear weapons.

This policy statement brings a number of strong concerns to mind, including the accident at Three Mile Island. But Three Mile Island could be a blessing in disguise if it stimulates more work on nuclear safety and the disposal of nuclear waste. There are risks to be taken, of course, with respect to every energy source. In the Agency's view, the risks of *not* developing the full potential of nuclear power are unacceptable because they involve greater vulnerability to political action by producer countries, economic downturn, and social or political unrest in the energy consumer countries. In the longer term, perhaps the safety and security risks involved in the use of nuclear power may be removed or diminished, or research and development of new energy technology will produce replacements for nuclear power.

11. IEA Press Release, IEA/PRESS(79)15 (Paris, May 22, 1979). Copy on file with the HOUSTON JOURNAL OF INTERNATIONAL LAW.

12. *Id.*, Annex I, paras. 22-25.

13. IEA Press Release, *supra* note 7, at 6.

VI. RESEARCH AND DEVELOPMENT

For what might be called the "long-long term," after the year 2000, the IEA is actively pursuing an energy research and development strategy, which includes the fostering of national programs and the development of international cooperative projects. IEA now sponsors 50 or so cooperative projects among national governments, public agencies, universities, and private companies. These projects are established in formal international agreements. They extend to almost all imaginable fields of energy research and development including coal, nuclear, conservation, wind, wave, geothermal, biomass, fusion, and hydrogen. The aggregate expenditure in these IEA projects will be in excess of \$1.6 billion.

Through the Department of Energy, the United States is a participant in most of these projects and all IEA countries either participate in one or more, or soon will, on an entirely voluntary basis.

VII. OIL MARKET

In addition to the policy measures mentioned above, which should have a favorable effect on oil prices as well as supply, the Agency is considering means of acting more directly on oil prices, mostly through improving understanding of changing oil market structures. For that purpose, the IEA information system is being adjusted to obtain greater information on oil flows, stock movements, and their effects on prices. IEA has established a system of consultations on oil stocks with governments and companies and a comprehensive international register of crude oil transactions. The Agency is looking more closely at state-to-state oil transactions and has taken a number of actions strongly discouraging unnecessary recourse to spot market purchases of oil.¹⁴

The future work of the Agency will doubtless include a more coordinated approach to the spot market and the broader problem of oil prices. The Agency would like to see a "code of conduct" for participants in the spot market and some "cool off" procedures for periods of turbulence in the market.¹⁵ So long as spot market transactions seem to justify price increases in long-term operations, the consumer countries will have to take action to ensure that spot market prices are not artificially raised to the unconscionable levels experienced in 1979 and 1980.

VIII. LEGAL NATURE OF IEA ACTIONS

The question of the legal nature of IEA actions is a fascinating one

14. IEA Press Release, *supra* note 5, at 5.

15. *Id.*

because the Agency has taken, as the foregoing demonstrates, a number of varied measures with quite different legal consequences. They range from "hard" treaty obligations under international law to relatively "gentle" statements of policy or aspiration.

The most formal commitments are contained in the International Energy Program Agreement itself, which was submitted for ratification procedures and required implementing legislation in most countries. For the United States, the Energy Policy and Conservation Act (EPCA) was enacted in December 1975, before the U.S. gave its consent to be bound to the I.E.P. Agreement.¹⁶ All IEA countries agreed to apply the Agreement provisionally until it could be formally ratified and enter into force. It has now been ratified by all IEA countries with the exception of Turkey and Portugal, which are expected to do so shortly.¹⁷

Aside from research and development project agreements, there are no other formal international agreements on the IEA policies described above, although there were strong suggestions, by the U.S. and others, that the Principles on Coal should be embodied in an international agreement in order to obtain stronger guarantees for both producers and consumers of coal. This would have been a highly desirable procedure, but it raised serious problems under the General Agreement on Tariffs and Trade (GATT) and internal legislation. Even in this area, it appears that treaty commitments will not be possible until governments find, as they did with the oil crisis, that the weaker measures may not be sufficient and that firm treaty commitments are required to obtain the desired results.

There are, however, other means for establishing legal commitments within the Agency. The Governing Board has a broad power to make legally binding decisions concerning the international energy situation by unanimous agreement, and the Board has not hesitated to utilize this power. By the Long Term Programme,¹⁸ all IEA countries became legally committed to observe the Minimum Safeguard Price (MSP) by which imported oil could not be sold in IEA countries below a certain level.¹⁹ Although that investment inducement measure has

16. Energy Policy and Conservation Act, 42 U.S.C. § 6201 (1975).

17. As to Portugal and Turkey, the Agreement is provisionally in force. [1981] STATE DEP'T TREATIES IN FORCE 278. [Both have since ratified the Agreement].

18. IEA, Long Term Cooperation Programme, January 30, 1976, 27 U.S.T. 231, T.I.A.S. No. 8229.

19. For further discussion of negotiations leading to the MSP, see Keohane, *The International Energy Agency: State Influence and Transgovernmental Politics*, 32 INT'L ORG. 929, 939-40 (1978).

little practical effect today, it is an important example of Governing Board action in legally binding form.

Since the Governing Board has been granted an international energy policy legislative power, it is no longer necessary for IEA countries to use the "hard" treaty procedure to create legally binding rules within the competence of the Agency. Nor is there need to convene a new international conference every time IEA countries wish to adopt a legally binding rule. The existence of the IEA mechanism will undoubtedly make it easier for Agency countries to create legal obligations when the political opportunities present themselves.

When the 1985 Group Objective to limit imported oil was first adopted in 1977, there were serious proposals that the commitment should be a legal one and that the measure should contain not only a Group Objective but also have individual country ceilings. There was sharp opposition to both proposals at that time. A legal commitment for the Group did not seem to make very much sense and governments were simply not ready to accept country ceilings; the crisis was not yet severe enough. So a formula was devised to characterize the commitments as political rather than legal in nature.

The same problem arose with respect to the 2mbd demand restraint action of March 1979. The crisis was then more serious, but it still was not possible to take either a legal commitment or obtain national ceilings. As in the Coal Action, the Governing Board made clear that only political action was being taken, but there were growing doubts that action on a wholly political rather than legal basis would be sufficient to meet the steadily deteriorating oil market situation.

By December of 1979, a breakthrough was achieved in two respects. The objections to national ceilings were overcome and a country-by-country breakdown was achieved for both 1980 and 1985. This would have made legal commitments theoretically possible, but it turned out that governments were still not ready to move that far explicitly. In this case, they adopted language which does not expressly limit the action to political commitments, thus leaving the question open to argument; that itself was a big step forward.²⁰ While the formal situation was still not altogether clear, the adoption of monitoring and adjustment procedures not only added weight to the Ministerial action, but also made the practical possibility of noncompliance much

20. As indicated in the IEA Press Communique for that meeting of that Governing Board, "all IEA countries firmly committed themselves to limit their oil imports in 1980, and to pursue goals for their oil imports in 1985," in amounts specified country by country and "IEA countries will take the measures necessary within their national responsibility to ensure that they keep within their oil import ceilings and goals." IEA Press Release, *supra* note 5, at 2, 4.

more difficult. IEA Ministers also requested a study into the possibility of providing sanctions in the emergency system against countries which failed to meet their 1980 ceiling. Quarterly review by the Governing Board of individual country results and the provision for periodic Ministerial level action also helped to ensure compliance. As the energy crisis worsens in the future, it is not altogether improbable that IEA governments will be induced to take more stringent action in the Governing Board through legal commitments, as well as political measures, for each serves a useful purpose.

The foregoing legal control measures were supplemented by less formal arrangements for oil import yardsticks and ceilings at the next Ministerial round in May 1980. Based upon annual estimates of individual countries' oil requirements, yardsticks will provide guidance for energy policies of IEA countries, while in times of tight supply they will become elements of individual oil import ceilings, which "will represent a political commitment stating the degree of self-restraint which individual countries are willing to impose upon themselves in a tight market situation."²¹ This tends to ensure that action on a political level would be taken, and leaves open the possibility that legal commitments might be taken in addition to or in place of action on import ceilings. The legal structure was further strengthened by the adoption of procedures for the adjustment of import ceilings and goals. This system recognizes the volatile condition of the market, which could rapidly upset all expectations, dramatizing the need for urgent reductions in IEA oil imports.²²

Future legal action could take a variety of forms. The most obvious one would be the activation of the IEA emergency sharing system. When the conditions for its activation are satisfied, this would immediately impose specific legal obligations for demand restraint on each member of the Group, if the emergency is caused by a Group shortfall in supply. In the case of a single country emergency, that country would have a legal obligation to restrain demand and the system could be adjusted to impose demand restraint on other IEA countries as well. The IEA general sharing system would impose *de facto* import quotas on each IEA country and would employ an allocation mechanism to enforce them. In the case of a single country emergency, the existing rules would have to be adjusted to achieve that result. Action by the Governing Board to adopt a parallel system of cooperation, in the absence of the 7% oil supply shortfall threshold presently being utilized, would require the unanimous agreement of all IEA countries partici-

21. IEA Press Release, *supra* note 8, at 5.

22. *Id.*

pating in the action. In all of these cases the action would result in legal obligations under international law and would activate elaborate national and international implementation organizations and monitoring systems. This kind of action would publicly test the heart of the IEA system and aid in maintaining IEA integrity and credibility.

IX. SANCTIONS AND INDUCEMENTS FOR COMPLIANCE

There are no formal sanctions incorporated in the International Energy Program Agreement. However such sanctions would probably be unnecessary and meaningless. The real sanction of these commitments, whether legal or political, is the inherent worth of the measure and the value of the whole IEA system. A country which fails to take the committed measures will suffer adverse consequences if the measures are beneficial and sound. The prospect of that suffering is a better sanction than any formal measures written into a legal or political text. If a country fails to carry out the emergency allocation commitments and the IEA fails, then the platform for worthwhile international energy cooperation is lost for everyone, and that prospect should be quite sufficient to provide additional inducements for compliance.

Part of the lawyer's function in international organizations is to help provide inducements to performance which might not rise to the level of sanctions, but which make noncompliance more difficult. In the less than perfect modern world, these elements can have considerable importance, and in the case of the IEA, there are an impressive number of such elements. The Agency has a highly developed infrastructure. The Agency brings high level delegates from IEA capitals together, almost on a daily basis. An elaborate information system provides the basis for quick judgments on performance or nonperformance. For the whole series of oil import and other policies mentioned above, there is an elaborate and thorough review system by the IEA. The Secretariat conducts visits to countries, reviews measures and performance, reports to Standing Groups and to the Governing Board, and provides a regular forum for confrontation and discussion. In that way, the Agency is able to identify nonperformers and, if a case is bad enough, the Governing Board can be elevated to a Ministerial Level meeting to deal with it.

As noted above, the IEA has also developed a procedure for revising oil import ceilings and goals in order to make them as reasonable and realistic as possible and thus to increase the probability of adequate performance. The Governing Board reviews the results achieved by each country in meeting its 1980 ceiling and 1985 goal on a quarterly basis. The Board determines the adequacy of the measures in

place in each country and makes specific recommendations as to additional or corrective measures which need to be taken. Corrective action is specifically foreseen if this becomes necessary to ensure performance.²³ This process of inducing proper performance and creating obstacles to nonperformance is probably the best that can be expected in the present circumstances.

X. IEA RELATIONS WITH OTHER ORGANIZATIONS

The IEA does not act alone. The Agency interacts with a number of international organizations by means of *de facto* and *de jure* relations which are quite different. With OPEC, the IEA relationship is mostly *de facto*. The Agency reacts to OPEC price and supply actions and to its calls for greater demand restraint. As a matter of fact, IEA seems to be doing very much as OPEC wishes. There are Secretariat to Secretariat contacts on information and technical questions as well as the occasional participation of each in the other's workshops, but no formal or official relations as yet.

IEA has sought to arrange discussions of the mutual problems of supply and price, demand restraint, and conservation directly with oil producing countries. IEA Ministers have declared that more opportunities to discuss these issues with oil producing countries would be welcome.²⁴

Oil producing countries' representatives meet their IEA counterparts in places like the United Nations and the World Bank. IEA carefully monitors energy developments in the U.N. and cooperates with its Secretariat but, so far, no serious policy level discussions between the producing and consuming countries are known to have taken place within the U.N. framework. IEA, of course, acts as a caucus point for positions which Agency countries might take in the U.N., just as the European Community countries in the Agency caucus in the Community on positions they develop in the Agency. Arrangements for relations with the oil producers are accordingly quite fragmentary and unsatisfactory.

Organization of the oil consumers is also far from perfect. Not all of the major industrialized consuming countries are participants in the IEA. France, unfortunately, continues to stay out of the Agency, but France is a member of the European Communities which are quite active on energy questions. The Commission participates in virtually all IEA meetings and receives all of its documents. Technical arrange-

23. IEA Press Release, *supra* note 5, at 3-4.

24. *Id.* at 2.

ments have been made for the IEA and European Community emergency oil sharing systems to work together. In this way, France participates indirectly in the emergency and other work of the Agency.

There is in the OECD a Committee for Energy Policy consisting of representatives from all 24 OECD countries; that is, all of the IEA plus Finland, France and Iceland. In fact, the IEA staff provides Secretariat services for that Committee and the OECD generally, as well as the Agency. Except for the IEA, OECD energy work is largely inactive and not really responsive to the major problems of oil supply, price, and alternative energy sources.²⁵ However, on economic questions, information services, and administration, IEA and OECD cooperation is quite regular and effective.

The Economic Summit Conferences, like the Tokyo Summit in 1979, deal increasingly with serious energy questions, and IEA provides some analytical input and follow-up work for them. Only the major countries are represented in the Summit, so a number of other IEA countries understandably feel left out of that process.

XI. CONCLUSION

In sum, the major oil consumer countries have a large number of mechanisms which do not yet provide all the necessary or desirable arrangements either for cooperation among themselves or for the establishment of important consumer-producer relations. The organizational problems present one of the major challenges of the future for international energy policy.

Consumer countries' energy objectives are assuring secure supplies at reasonable prices and eliminating dependence upon imported oil. So long as a comprehensive organization to realize those objectives is lacking, consumer countries will continue to work bilaterally and through the IEA, as well as in other organizations, to establish and carry out the international energy policies necessary to achieve those objectives.

25. See Willrich & Conant, *The International Energy Agency: An Interpretation and Assessment*, 71 AM. J. INT'L L. 199, 222 (1977).