

COMMISSION OF THE EUROPEAN COMMUNITIES

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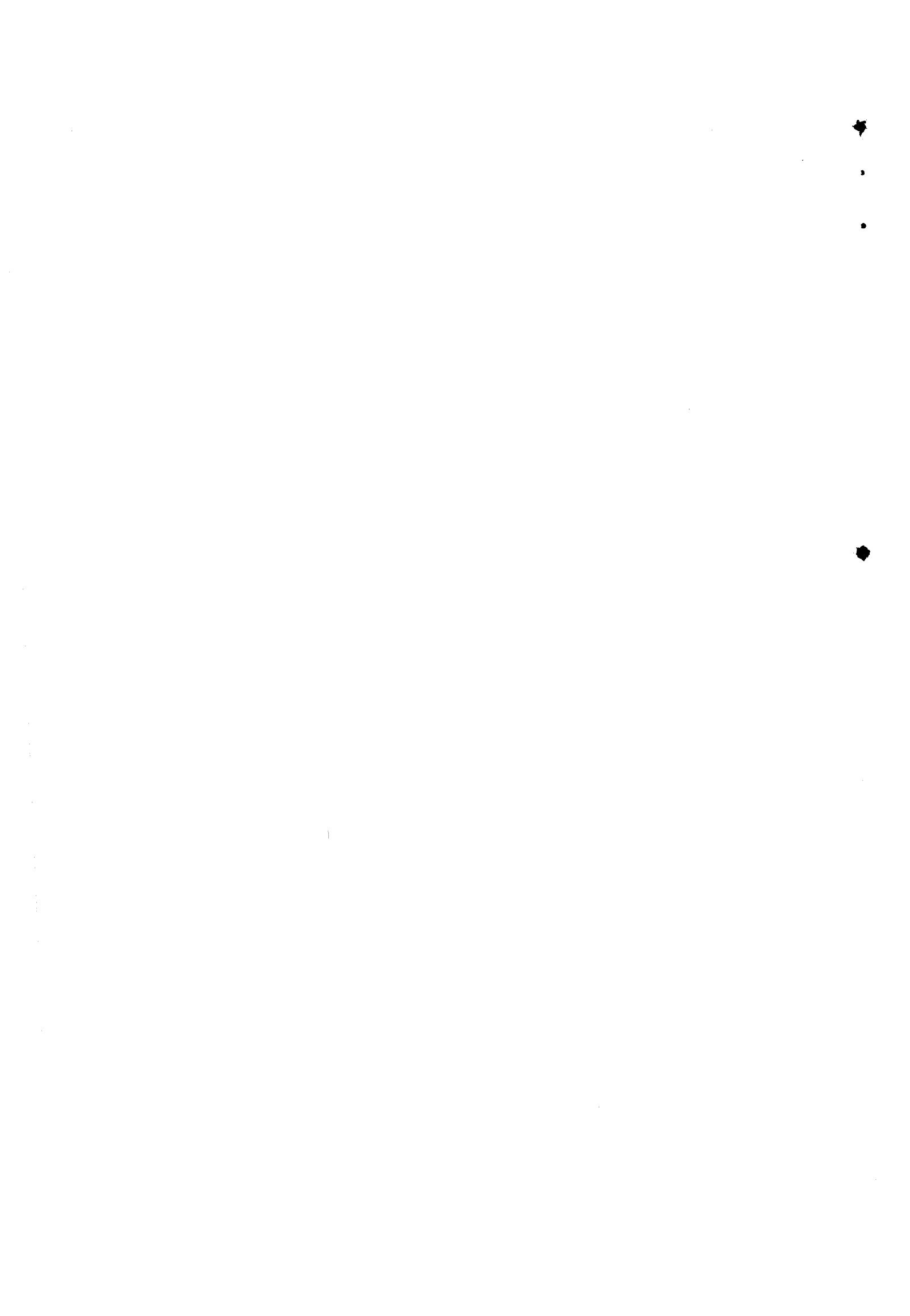
SERIALS UNIT

Proposal for a
COUNCIL REGULATION (EEC)

opening, allocating and providing for the administration of a Community tariff quota for certain plywoods of coniferous species, falling within heading No ex 44.15 of the Common Customs Tariff (1982)

(submitted to the Council by the Commission)

HILLMAN



EXPLANATORY MEMORANDUM

1. At the last GATT negotiations the Community undertook to open, for certain coniferous plywood, as listed below, of heading ex 44.15 of the Common Customs Tariff, a Community tariff quota at zero duty of a total volume of 600,000 cubic metres.

Plywood of coniferous species, without the addition of other substances

- of thickness greater than 8.5 mm, the faces of which are not further prepared than the peeling process, or
- sanded, and of a thickness greater than 18,5 mm.

In addition Protocol No 11 to the Act concerning the Conditions of Accession and the Adjustments to the Treaties and the bilateral exchange of letters undertaken at the start of the GATT negotiations foresee the Community opening autonomous Community tariff quotas at zero duty for these products at volumes to be decided for each year when it is established that all possibilities of supply on the intended market of the Community will be exhausted during the period for which the quotas are open.

2. This proposed Regulation concerns the Community tariff quotas in question to be opened on 1 January 1982 and allocated among Member States.

The application of Protocol No 11 was dealt with at advisory meetings of experts from the Member States held since 1975, at which it became clear that taking into account the possibilities of supply on the Community market, which are in fact somewhat limited although increasing considerably, and on the basis of estimated submitted by the Member States, the tariff quotas in question could yet be grouped under a single quota.

The quota volume to be opened for 1982 was discussed by the "Economic Tariff Questions" group on 16 September 1981. It became clear from the discussion that :

a) imports from third countries thought necessary by Member States would exceed 900 000 m³ for 1982; it should be noted that effective use made of quotas in the last three years was only 590 000 m³ in 1977, 696 000 m³ in 1978, 768 000 m³ in 1979 and 687 000 m³ in 1980;

moreover, neither increased consumption nor the present economic situation in the construction sector can justify the proposed increase;

b) as stated by the producing Member States, there is a risk that supplies to be obtained on the Community internal market may not be used up in 1982, which may make it difficult to open the autonomous quota envisaged by Protocol No 11 of the Act of Accession;

c) Member States would interpret differently the question of granting the benefit of quotas already opened for laminated panels of coniferous wood grooved and tongued before importation to facilitate assembly.

It has not yet been possible to establish the precise volume of such imports, which must, however, be significant.

3. Generally, the Commission considers that, taking account of the uncertain level of consumption and the need for parallel growth in Community production and supplies on favourable terms to user industries, great care should be taken in fixing the quota volume, so as not to endanger the market balance.

It has therefore been decided to limit the initial quota for 1981 to the GATT consolidated volume of 600 000 m³, and to review the situation, if necessary, during the year.

4. The method of administration proposed is the same as that usually adopted for autonomous Community tariff quotas and consists basically of the following:

- the setting up of a reserve of 10,000 cubic metres;
- the allocation of the first tranche in proportion to the needs expressed by Member States and in accordance with the effective utilisation of the quotas opened for the last three years;
- the charging of imports against Member States' shares as and when the products are entered with the customs authorities for free circulation.

5. While a decision on the item shown at paragraph 2 c) above is awaited, the current proposal makes it possible to comply with undertakings made by the Community and with the provisions of the Resolution of 27 June 1974. The Commission therefore reserves the power to change its proposal as matters develop, so as to adapt it, if necessary, to the final outcome of the current discussions.

PROPOSAL FOR A
COUNCIL REGULATION (EEC)

opening, allocating and providing for the administration of a Community tariff quota for certain plywoods of coniferous species, falling within heading No ex 44.15 of the Common Customs Tariff (1982).

THE COUNCIL OF THE EUROPEAN
COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community, and in particular Article 113 thereof,

Having regard to the proposal from the Commission,

Whereas the Community has undertaken to open an annual Community tariff quota of at least 600 000 m³ for certain plywoods of coniferous species falling within heading No ex 44.15 of the Common Customs Tariff; whereas, under Protocol 11 to the 1972 Act of Accession, the Community is required to open each year autonomous nil duty Community tariff quotas for the same products, the volume thereof to be decided annually when it is established that all possibilities of supply on the internal market of the Community have been exhausted during the period for which the quotas are open; whereas the condition laid down by the said Protocol does not seem to be met at the moment; whereas, in these circumstances, it is appropriate to limit oneself in the first stage to the contractual volume of 600 000 m³; whereas the fixing of the quota volume at this level does not exclude moreover recourse to the provisions of the abovementioned Protocol 11 during the quota period;

Whereas, to take more precise account of future trends in imports of the products concerned, the quota should be divided into two tranches, the first being allocated among all the Member States and the second held as a reserve to cover the subsequent requirements of Member States which have exhausted

their initial shares; whereas, in order to offer importers some degree of security, the first tranche of the quota should be fixed at a relatively high level, or about 98 % of its full amount; whereas, on the basis of Member States' estimates for their needs, the initial shares may be fixed as set out in Article 2;

Whereas Member States may use up their initial shares at different rates; whereas, to provide for this eventuality and to avoid disruption of supplies, any Member State which has almost used up its initial share should draw an additional share from the reserve; whereas, each time its additional share is almost used up, a Member State should draw an additional share, and so on as many times as the reserve allows; whereas the initial and additional shares should be valid until the end of the quota period; whereas this form of administration requires close collaboration between Member States and the Commission, which latter must, in particular be able to keep a record of the extent to which the quota has been used up and to inform the Member States accordingly;

Whereas if, at a given date in the quota period, a considerable quantity of a Member State's initial share remains unused, it is essential that that Member State should return a significant proportion to the reserve, so as to avoid a part of the quota remaining unused in one Member State when it could be used in others;

Whereas, since the Kingdom of Belgium, the Kingdom of the Netherlands and the Grand Duchy of Luxembourg are united within and jointly represented by the Benelux Economic Union, any measure concerning the administration of the shares allocated to that economic union may be carried out by any one of its members,

HAS ADOPTED THIS REGULATION:

Article 1

1. During the period from 1 January to 31 December 1982, a Community tariff quota of 600 000 m³ shall be opened for the following products falling within heading No ex 44.15 of the Common Customs Tariff:

- (a) plywood of coniferous species, without the addition of other substances, of a thickness greater than 8.5 mm, the faces of which are not further prepared than the peeling process;
- (b) plywood of coniferous species, without the addition of other substances; sanded, and of a thickness greater than 18.5 mm.

2. Imports of the products in question may not be charged against this tariff quota if they are already free of customs duties under other preferential tariff arrangements.

3. The Common Customs Tariff duty shall be totally suspended within the limits of the above quota.

Within the limits of this tariff quota, Greece shall apply duties calculated in accordance with the relevant provisions set out in the 1979 Act of Accession.

Article 2

1. The tariff quota referred to in Article 1 (1) shall be divided into two tranches.

2. A first tranche of 590 000 m³ shall be allocated among the Member States. Member States' shares which, subject to Article 5, shall be valid until 31 December 1982, shall be as follows:

	<i>in cubic metres</i>
Benelux	170 687
Denmark	62 186
Germany	83 013
Greece	59
France	17 759
Ireland	5 605
Italy	24 249
United Kingdom	226 442

3. The second tranche of 10 000 m³ shall constitute the reserve.

Article 3

1. If 90 % or more of a Member State's initial share as fixed in Article 2 (2), or of that share minus

any portion returned to the reserve where Article 5 has been applied, has been used up, that Member State shall forthwith, by notifying the Commission, draw a second share, to the extent that the reserve so permits, equal to 10 % of its initial share, rounded up as necessary to the next whole number.

2. If, after its initial share has been exhausted, 90 % or more of the second share drawn by a Member State has been used up, that Member State shall, in the manner and to the extent provided in paragraph 1, draw a third share equal to 5 % of its initial share, rounded up as necessary to the next whole number.

3. If, after its second share has been exhausted, 90 % or more of the third share drawn by a Member State has been used up, that Member State shall, in the manner and to the extent provided in paragraph 1, draw a fourth share equal to the third.

This procedure shall apply until the reserve is used up.

4. By way of derogation from paragraphs 1, 2 and 3, Member States may draw lesser shares than those specified therein if there are grounds for believing that those specified may not be used in full. They shall inform the Commission of their reasons for applying this paragraph.

Article 4

Additional shares drawn pursuant to Article 3 shall be valid until 31 December 1982.

Article 5

Member States shall return to the reserve, not later than 1 October 1982, the unused portions of their initial shares which, on 15 September 1982, are in excess of 20 % of the initial amounts. They may return a greater portion if there are grounds for believing that such portion may not be used in full.

Member States shall notify the Commission, not later than 1 October 1982, of the total quantities of the products in question imported up to 15 September 1982 and charged against the Community quota and of any portion of their initial shares returned to the reserve.

Article 6

The Commission shall keep an account of the shares opened by the Member States pursuant to Articles 2 and 3 and, as soon as it has been notified, shall inform each State of the extent to which the reserve has been used up.

It shall inform the Member States, not later than 5 October 1982, of the amount still in reserve after amounts have been returned thereto pursuant to Article 5.

It shall ensure that the drawing which exhausts the reserve does not exceed the balance available and, to this end, shall notify the amount of that balance to the Member State making the last drawing.

Article 7

1. Member States shall take all appropriate measures to ensure that additional shares drawn pursuant to Article 3 are opened in such a way that imports may be charged without interruption against their aggregate shares of the Community quota.

2. Member States shall ensure that importers of the products in question established in their territory have free access to the shares allocated to them.

3. Member States shall charge imports of the products in question against their shares as and when the products are entered with the customs authorities for free circulation.

4. The extent to which a Member State has used up its share shall be determined on the basis of imports charged against that share in accordance with paragraph 3.

Article 8

At the Commission's request, Member States shall inform it of the imports actually charged against their shares.

Article 9

Member States and the Commission shall cooperate closely to ensure that this Regulation is complied with.

Article 10

This Regulation shall enter into force on 1 January 1982.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels, 1980.

For the Council
The President