



COMMISSION OF THE EUROPEAN COMMUNITIES

Brussels, 16.07.1999
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Proposal for a

COUNCIL DECISION

authorising Portugal to apply or to continue to apply reductions in, or exemptions from, excise duties on certain mineral oils used for specific purposes, in accordance with the procedure provided for in Article 8(4) of Directive 92/81/EEC

(presented by the Commission)

EXPLANATORY MEMORANDUM

Under Article 8(4) of Council Directive 92/81/EEC on the harmonisation of the structures of excise duties on mineral oils,¹ the Council, acting unanimously on a proposal from the Commission, may authorise any Member State to introduce exemptions from, or reductions in, excise duties on grounds of specific policy considerations.

The Portuguese authorities have informed the Commission that they wish to apply a different rate of excise duty on diesel fuel used by commercial vehicles (road haulage vehicles) as part of a plan to abolish the use of leaded petrol and simultaneously and gradually align the level of excise duty on diesel and unleaded petrol in order to narrow the gap between the duties charged.

In accordance with the Directive, the other Member States have been informed of this request.

The Directive provides for the Commission to review such exemptions and reductions periodically. If the Commission considers that they may no longer be applied because they distort competition or the operation of the internal market or are incompatible with Community policy on protection of the environment, it is to present appropriate proposals to the Council. In any event, this derogation must be reviewed no later than 31 December 1999, when the authorisation granted by the Decision expires. The Council will review the situation on the basis of a Commission proposal and decide whether the authorisation should be withdrawn, amended or extended.

¹ OJ L 316, 31.10.1992, p.12 Directive as last amended by Directive 94/74/EC (OJ L 365, 31.12.1994, p. 46)

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THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community,

Having regard to Council Directive 92/81/EEC of 19 October 1992 on the harmonisation of the structures of excise duties on mineral oils², and in particular Article 8(4) and (5) thereof,

Having regard to the proposal from the Commission,

- (1) Whereas, under Article 8(4) of Directive 92/81/EEC, the Council, acting unanimously on a proposal from the Commission, may authorise any Member State to introduce exemptions from, or reductions in, excise duties on mineral oils on grounds of specific policy considerations;
- (2) Whereas the Portuguese authorities have notified the Commission that they wish to apply to diesel fuel, from 1 July 1999, a different rate of excise duty on diesel fuel used by commercial vehicles (road haulage vehicles) as part of a plan to abolish the use of leaded petrol from 1 July 1999 and simultaneously and gradually align the level of excise duty on diesel and unleaded petrol in order to narrow the gap between the duties charged;
- (3) Whereas the other Member States have been informed thereof;
- (4) Whereas the Commission and all the Member States accept that the application of differential rates is justified on environmental policy grounds and that it will not give rise to distortions of competition or hinder the operation of the internal market;
- (5) Whereas the Commission regularly reviews reductions and exemptions to check that they are compatible with the operation of the internal market or with Community policy on protection of the environment;

² OJ L 316, 31.10.1992, p.12 Directive as last amended by Directive 94/74/EC (OJ L 365, 31.12.1994, p. 46)

- (6) Whereas Portugal has requested authorisation to apply this different rate on diesel fuel from 1 July 1999; whereas the Council is to review its application on the basis of a report from the Commission no later than 31 December 1999, when the authorisation granted by this Decision expires,

HAS ADOPTED THIS DECISION:

Article 1

In accordance with Article 8(4) of Directive 92/81/EEC, Portugal is authorised from 1 July 1999 until 31 December 1999 to apply a different rate of excise duty on diesel fuel used by commercial vehicles provided that these differential rates are in accordance with the obligations laid down in Council Directive 92/82/EEC of 19 October 1992 on the approximation of the rates of excise duties on mineral oils,³ and in particular the minimum rates of excise duty provided for in Article 5 thereof.

Article 2

This Decision is addressed to Portugal.

Done at Brussels,

For the Council
The President

³ OJ L 316, 31.10.1992, p.19 Directive as amended by Directive 94/74/EC (OJ L 365, 31.12.1994, p. 46)