



COMMISSION OF THE EUROPEAN COMMUNITIES

Brussels, 17.12.1999
COM(1999) 704 final

1999/0283 (CNS)

Proposal for a

COUNCIL REGULATION

**correcting Regulation No 2075/92 on the
common organisation of the market in raw tobacco**

(presented by the Commission)

EXPLANATORY MEMORANDUM

The purpose of this proposal for a Council Regulation is to correct the text of Article 9(4) of Regulation (EEC) No 2075/92 on the common organisation of the market in raw tobacco.

This correction is necessary because the current wording of the paragraph, which allows the Member States to transfer guarantee threshold quantities still available for one varietal group to another group before the deadline for concluding cultivation contracts, contains the phrase "in accordance with paragraph 3". This reference to paragraph 3 must be deleted because it relates to the procedure for allocating the production quotas and not to the transfer measure, whose purpose is to give the Member States some leeway to respond to market developments.

The measure must apply from the 1999 harvest.

Proposal for a

COUNCIL REGULATION

correcting Regulation No 2075/92 on the common organisation of the market in raw tobacco

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community, and in particular Article 37 thereof,

Having regard to the proposal from the Commission¹,

Having regard to the opinion of the European Parliament²,

Whereas:

- (1) Article 9(3) of Regulation (EEC) No 2075/92³ assigns production quotas to producers in proportion to the average quantity of tobacco of the particular variety group delivered for processing by each individual producer over the three years preceding that of the most recent harvest.
- (2) Article 9(4) of that Regulation stipulates that, before the final date for the conclusion of cultivation contracts, Member States may be authorised to transfer parts of their guarantee threshold allocations to other variety groups, in accordance with paragraph 3. The words "*in accordance with paragraph 3*" were taken over from a provision that preceded the adoption of the transfer measure. So the reference to paragraph 3 in paragraph 4 should be deleted in view of the fact that transfers cannot occur under paragraph 3 without adversely affecting producers who, having already received production quotas in proportion to the average quantity of tobacco delivered in the three years preceding the year of the most recent harvest, apply to cultivate other varieties responding to market demand. Application of the reference to paragraph 3 would mean in effect that the quantities transferred would be assigned to the producers in proportion to the average quantities delivered by them in the three years preceding the year of the most recent harvest, without taking account of the acquired right of the producer applying for the transfer.
- (3) The measure in question must apply from the 1999 harvest,

HAS ADOPTED THIS REGULATION:

¹ OJ C , , p. .

² OJ C , , p. .

³ OJ L 215, 30.7.1992, p. 70. Regulation last amended by Regulation (EC) No 660/1999 (OJ L 83, 27.3.1999, p. 10).

Article 1

Regulation (EEC) No 2075/92 is hereby corrected as follows:

The first subparagraph of Article 9(4) is replaced by the following:

« Before the final date for the conclusion of cultivation contracts, Member States may be authorised to transfer parts of their guarantee threshold allocations to other variety groups. »

Article 2

This Regulation shall enter into force on the seventh day following its publication in the *Official Journal of the European Communities*.

It shall apply from the 1999 harvest.

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

Done at Brussels,

*For the Council
The President*

FINANCIAL STATEMENT

1. BUDGET HEADING: Chapter 17		APPROPRIATIONS: EUR 987 million (LA to PDB 2000)		
2. TITLE: Council Regulation correcting Regulation (EEC) No 2075/92 on the common organisation of the market in raw tobacco.				
3. LEGAL BASIS: Article 37 of the Treaty				
4. AIMS: A change of wording to comply with the aims of the provision in question.				
5. FINANCIAL IMPLICATIONS	PERIOD OF 12 MONTHS (EUR million)	CURRENT FINANCIAL YEAR 2000 (EUR million)	FOLLOWING FINANCIAL YEAR 2001 (EUR million)	
5.0 EXPENDITURE	--	--	--	
- CHARGED TO THE EC BUDGET (REFUNDS/INTERVENTION)				
- NATIONAL AUTHORITIES				
- OTHER				
5.1 REVENUE	--	--	--	
- OWN RESOURCES OF THE EC (LEVIES/CUSTOMS DUTIES)				
- NATIONAL				
	2002	2003	2004	2005
5.0.1 ESTIMATED EXPENDITURE	--	--	--	--
5.1.1 ESTIMATED REVENUE	--	--	--	--
5.2 METHOD OF CALCULATION:				
6.0 CAN THE PROJECT BE FINANCED FROM APPROPRIATIONS ENTERED IN THE RELEVANT CHAPTER OF THE CURRENT BUDGET				YES / NO
6.1 CAN THE PROJECT BE FINANCED BY TRANSFER BETWEEN CHAPTERS OF THE CURRENT BUDGET				YES / NO
6.2 WILL A SUPPLEMENTARY BUDGET BE NECESSARY				YES / NO
6.3 WILL FUTURE BUDGET APPROPRIATIONS BE NECESSARY				YES / NO
OBSERVATIONS: In accordance with the third subparagraph of the relevant Article 9(4), all transfers must have a neutral impact on the budget.				