



COMMISSION OF THE EUROPEAN COMMUNITIES

Brussels, 03.06.1997
COM(97) 267 final

97/0161 (CNS)

Proposal for a
COUNCIL REGULATION (EC)

**amending Regulation (EEC) No 822/87 on
common organization of the market in wine**

(presented by the Commission)

EXPLANATORY MEMORANDUM

The attached proposal would:

1. amend Article 15 and Annex VI to Regulation (EEC) No 822/87 covering the use of malic acid for acidification. The option of permitting its use has never been taken up by the Member States and, taking account of this, it appears appropriate no longer to include this practice in Annex VI.
2. authorize permanently the use of a deacidification practice at present allowed by Article 17(3) of Regulation (EEC) No 822/87 on a temporary basis. Permanent authorization is justified by the results of experiments which have demonstrated the usefulness and advantages of the practice.
3. amend Article 5 of Regulation (EEC) No 822/87 to end the preferential treatment temporarily granted to certain installations when aid for the use of must for enrichment was introduced; it is no longer justified.
4. amend Article 53 of that Regulation which governs entry price control measures for grape juices and musts. Its provisions are identical to those for the fruit and vegetable sector but are quite unsuited to the actual situation for juice and must imports. Temporary measures have already been adopted applicable to 30 June 1997 that, on expiry, should be replaced by amendments to Regulation (EEC) No 822/87 providing satisfactory control of entry prices.

It is necessary to set rules under which respect for entry prices will be checked either consignment by consignment (as under the temporary rules) or using a flat-rate import value to be calculated on the basis of price quotations in the country of origin, in line with detailed rules to be determined.

Proposal for
COUNCIL REGULATION (EC) No
of
amending Regulation (EEC) No 822/87 on
common organization of the market in wine

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community, and in particular Article 43 thereof,

Having regard to the proposal from the Commission¹,

Having regard to the opinion of the European Parliament²,

Having regard to the opinion of the Economic and Social Committee³,

Whereas Article 15(6) of Council Regulation (EEC) No 822/87 of 16 March 1987 on common organization of the market in wine⁴, as last amended by Regulation No 1592/96⁵, provides for adoption of terms under which Member States may allow malic acid to be used; whereas since the Regulation entered into force it has never been used and provision for this should be discontinued; whereas it should therefore be deleted from Annex VI to the Regulation;

Whereas Article 17(3) of Regulation (EEC) No 822/87 allows temporary use of a particular deacidification method; whereas experiments in the Member State where it is used have demonstrated its advantages and it should be permanently authorized;

Whereas Article 45 of Regulation (EEC) No 822/87 institutes an aid scheme for use of concentrated and rectified concentrated grape musts to increase alcoholic strength; whereas for

1 OJ No C
2 OJ No C
3 OJ No C
4 OJ No L 84, 27.3.1987, p. 1
5 OJ No L 206, 16.8.1996, p. 31

rectified concentrated musts from wine-growing zones C III a differentiated aid is provided for; whereas under the second subparagraph of Article 45(2) this treatment is also applicable to rectified concentrated musts produced outside wine-growing zones C III in installations that began production of them before 30 June 1982; whereas this extension was authorized because installations existed outside zone C III which produced musts and the new scheme would have damaged them; whereas although acceptable at the time (1987) it is no longer justified since the investments in question have been written off;

Whereas Article 53 of Regulation (EEC) No 822/87 sets entry price control arrangements for grape juices and musts coming under codes 2009 and 2204 of the Combined Nomenclature; whereas in the absence of representative import markets in the Member States these arrangements are not geared to the actual market for these products; whereas they should be adjusted to allow verification by means other than a flat-rate import value or this value to be calculated from prices on the export markets of the third countries of origin,

HAS ADOPTED THIS REGULATION:

Article 1

Regulation (EEC) No 822/87 is amended as follows:

1. In Article 15(6) the second indent is deleted.
2. In Article 17(3) "until 31 August 1997" is deleted.
3. The second subparagraph of Article 45(2) is deleted.
4. Article 53(2) and (3) is replaced by:

"2. For musts coming under CN codes 2009 and 2204 for which the application of Common Customs Tariff duties depends on the import price of the product, the actual amount of this price shall be verified either by checking every consignment or by using a flat-rate import value calculated by the Commission on the basis of price quotations for the same products in the countries of origin.

Should the declared entry price of a consignment be higher than the flat-rate import value, if such applies, increased by a margin adopted in line with paragraph 3 that may not exceed the flat-rate value by more than 10%, security must be lodged equal to the import duties as determined on the basis of the flat-rate import value.

If, in the abovementioned case the entry price of the consignment is not declared, the application of the Common Customs Tariff shall be dependent on the flat-rate import value or on the application, under conditions to be determined in line with paragraph 3, of the relevant provisions of customs legislation.

3. Detailed rules of application for this Article shall be adopted using the procedure laid down in Article 83. These rules shall in particular cover setting of criteria for determining which control method is to be applied and what factors are to enter into calculation of flat-rate import values."

5. In Annex VI.3 point k) is replaced by:

"(k) use of tartaric acid for acidification on the terms set in Articles 21 and 23;"

Article 2

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

Point 3 in Article 1 shall apply from 1.9.97.

Point 4 in Article 1 shall apply from 1.7.97.

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

Done at

For the Council

FINANCIAL STATEMENT

1. BUDGET HEADING: 163	APPROPRIATIONS: ECU 119.5 million			
2. TITLE: Proposal for a Council Regulation amending Regulation (EEC) No 822/87 on the common organization of the market in wine				
3. LEGAL BASIS: Article 43 of the Treaty				
4. AIMS: 1. To remove malic acid from the list of oenological practices. 2. To provide for permanent authorization for the use of a deacidification technique. 3. To abolish the extension of more favourable aid arrangements for rectified concentrated grape musts for establishments beginning production before 30 June 1982. 4. To amend measures to monitor entry prices for grape juice and musts.				
5. FINANCIAL IMPLICATIONS	PERIOD OF 12 MONTHS (ECU million)	CURRENT FINANCIAL YEAR (97) (ECU million)	FOLLOWING FINANCIAL YEAR (98) (ECU million)	
5.0 EXPENDITURE - CHARGED TO THE EC BUDGET (REFUNDS/INTERVENTION) - NATIONAL AUTHORITIES - OTHER	* See below	-	* See below	
5.1. REVENUE - OWN RESOURCES OF THE EC (LEVIES/CUSTOMS DUTIES) - NATIONAL				
	1999	2000	2001	2002
5.0.1 ESTIMATED EXPENDITURE	* See below	* See below	* See below	* See below
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: *				
<p><u>Measures 1, 2 and 4:</u> Technical rules of application</p> <p><u>Measure 3:</u> Applicable from 1 September 1997 (1997/98 wine year). Given the uncertainty as to the reaction of the processors concerned (use of musts from zone CIII or other zones), the financial consequences (in principle, a reduction in expenditure) cannot be calculated.</p>				

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