

# COMMISSION OF THE EUROPEAN COMMUNITIES

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Proposal for a  
COUNCIL REGULATION (EEC)

opening, allocating and providing for the administration  
of Community tariff quotas for port wines, falling within  
heading No ex 22.05 of the Common Customs Tariff, and ori-  
ginating in Portugal (1980/81)

SERIALS UNIT

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Proposal for a  
COUNCIL REGULATION (EEC)

opening, allocating and providing for the administration  
of Community tariff quotas for Madeira wines, falling  
within heading No ex 22.05 of the Common Customs Tariff,  
and originating in Portugal (1980/81)

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Proposal for a  
COUNCIL REGULATION (EEC)

opening, allocating and providing for the administration  
of Community tariff quotas for Setubal muscatel wines,  
falling within heading No ex 22.05 of the Common Customs  
Tariff, and originating in Portugal (1980/81)

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EXPLANATORY MEMORANDUM

1. Article 9 of the Supplementary Protocol to the Agreement of 1972 between the European Economic Community and the Portuguese Republic, provides for the opening of Community tariff quotas for the wines listed below :

Common Customs Tariff heading	Description of goods	Annual volume	Rate of reduction
ex 22.05 C III a) 1 ex 22.05 C IV a) 1	Port wines - in containers holding two litres or less	100 000 hl	60 %
ex 22.05 C III b) 1 ex 22.05 C IV b) 1	Port wines - in containers holding more than two litres	260 000 hl	50 %
ex 22.05 C III a) 1 ex 22.05 C IV a) 1	Madeira wines - in containers holding two litres or less	4 000 hl	60 %
ex 22.05 C III b) 1 ex 22.05 C IV b) 1	Madeira wines - in containers holding more than two litres	14 500 hl	50 %
ex 22.05 C III a) 1 ex 22.05 C IV a) 1	Setubal muscatel wines - in containers holding two litres or less	2 000 hl	60 %
ex 22.05 C III b) 1 ex 22.05 C IV b) 1	Setubal muscatel wines - in containers holding more than two litres	1 000 hl	50 %

These wines are subject to provision relating to the common organization of the market in wine.

2. In order to meet the Community's obligations to Portugal from 1.7.1980 regulations have to be adopted providing for the opening, allocation and administration of these Community tariff quotas.
3. The Regulations provide, in the normal way, that each of the volumes shall be divided into two instalments, the first of which is to be allocated among the Member States and the second held as a reserve.

The allocation of the first instalment is usually based on statistics for the three preceding years and on forecasts for the period in question. In the absence of specific Community statistics for these wines the initial quotas have been calculated on the basis of the most recent statistics for Portuguese exports from 1976 to 1978. The Portuguese statistics can in fact be considered to give a rough picture of Community imports in the wines in question.

4. Owing to the special characteristics of the trade in these wines, which also differ between Member States, the regulation, exceptionally, does not establish a uniform method of administration.

Annex : 3 proposals for Regulations of the Council

IMPORTS OF WINES ORIGINATING IN PORTUGAL

(based on Portuguese statistics)

Port wines

	in containers < 2 litres			in containers > 2 litres		
	1976	1977	1978	1976	1977	1978
Benelux	21 230	28 594	32 763	39 206	50 950	52 596
Denmark	7 408	8 022	9 187	17 423	15 576	14 704
Germany	13 129	13 182	18 360	16 107	25 742	18 530
France	42 976	52 206	81 499	116 485	140 015	124 212
Ireland	259	674	678	1 547	184	101
Italy	21 842	23 739	27 109	-	-	-
United Kingdom	12 584	16 857	22 873	59 661	65 729	67 871
EEC	119 428	143 274	192 469	250 429	298 196	278 014

Madeira wines

Benelux	107	149	186	3 754	4 852	4 372
Denmark	186	138	97	4 469	3 595	3 135
Germany	58	90	141	5 288	7 059	6 324
France	273	31	47	13 174	14 011	16 458
Ireland	8	20	-	13	8	8
Italy	52	162	134	-	-	-
United Kingdom	72	91	69	3 556	4 047	3 296
EEC	756	681	674	30 254	33 572	33 593

Setubal muscatel wines

Benelux	-	1	6	-	-	-
Denmark	5	1	6	-	-	-
Germany	-	-	-	-	-	-
France	-	5	28	-	-	-
Ireland	-	-	-	-	-	-
Italy	1	-	-	-	-	-
United Kingdom	-	11	60	-	-	-
EEC	6	18	100	-	-	-

PROPOSAL FOR A  
COUNCIL REGULATION (EEC)

opening, allocating and providing for the administration of Community tariff quotas for port wines, falling within heading No ex 22.05 of the Common Customs Tariff and originating in Portugal (1980/81).

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 Article 9 of the Supplementary Protocol (1) annexed to the Agreement between the European Economic Community and the Portuguese Republic (2),

provides  
that customs duties on imports into the Community of certain wines originating in Portugal shall be reduced:

- by 60% in the case of the duties applicable to port wines falling within subheadings ex 22.05 C III a) 1 and ex 22.05 C IV a) 1 of the Common Customs Tariff, up to a total annual tariff quota of 100 000 hectolitres, and
- by 50% in the case of the duties applicable to port wines falling within subheadings ex 22.05 C III b) 1 and ex 22.05 C IV b) 1 of the Common Customs Tariff up to a total annual tariff quota of 200 000 hectolitres;

Whereas Portugal has given an assurance that the price for wines originating in its territory will not be lower than the reference price less the customs duties actually charged; whereas, as a result thereof, the wines covered by those tariff quotas should be treated in the same manner as wines granted preferential tariff concessions, provided the free-at-frontier reference price is observed; whereas such wines benefit from the tariff concessions only if the provisions of Article 18 of Regulation (EEC) No 337/79 (3) are respected; whereas those provisions apply to imports under those quotas;

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(1) OJ No. L 348, 31.12.1979, p. 44

(2) OJ No. L 301, 31.12.1972, p. 165.

(3) OJ No. L 54, 5.03.1979, p. 1.

ANNEX A

Whereas it is in particular necessary to ensure for all Community importers equal and uninterrupted access to the abovementioned quotas and uninterrupted application of the rates laid down for these quotas to all imports of the products concerned into all Member States until the quotas have been used up; whereas, having regard to the above principles, the Community nature of the quotas can be respected by allocating the Community tariff quota among the Member States; whereas, in order to reflect as accurately as possible the actual trend of the market in the products concerned, such allocation should be in proportion to the requirements of the Member States, calculated by reference to the statistics of each State's imports of the said products from Portugal over a representative reference period and also to the economic outlook for the quota period in question;

Whereas available Community statistics give no information on the situation of Madeira wines on the markets; whereas, however, Portuguese statistics for exports of these products to the Community during the past few years can be considered to reflect approximately the situation of Community imports; whereas on this basis the corresponding imports by each of the Member States during the past three years represent the following percentages of the imports into the Community from Portugal of the products concerned:

	1976	1977	1978
Port wines:			
— in containers holding two litres or less:			
— Benelux	17.8	20.0	17.0
— Denmark	6.2	5.6	4.8
— Germany	11.0	9.2	9.5
— France	36.0	36.3	42.3
— Ireland	0.2	0.5	0.4
— Italy	18.3	16.6	14.1
— United Kingdom	10.5	11.8	11.9
— in containers holding more the two litres:			
— Benelux	15.7	17.1	18.9
— Denmark	7.0	5.2	5.3
— Germany	6.4	8.6	6.7
— France	46.5	47.0	44.6
— Ireland	0.6	0.1	0.1
— Italy	0.0	—	—
— United Kingdom	23.8	22.0	24.4

Whereas, in view of these factors and of the estimates submitted by certain Member States, initial quota shares may be fixed approximately at the following percentages:

Member States	Port wines in containers holding:	
	two litres or less	more than two litres
Benelux	18.2	17.3
Denmark	5.4	5.7
Germany	9.8	7.3
France	38.7	46.0
Ireland	0.4	0.2
Italy	16.0	0.1
United Kingdom	11.5	23.4

Whereas, in order to take into account import trends for the products concerned in the various Member States, each of the quota volumes should be divided into two instalments, the first being allocated among the Member States and the second constituting a reserve to cover at a later date the requirements of Member States which have used up their initial quota shares; whereas, in order to give importers in each Member State a certain degree of security, the first instalment of the Community quotas should, under the present circumstances, be fixed at 80% of each of the quota volumes;

Whereas the initial quota shares of the Member States may be used up at different times; whereas, in order to take this fact into account and avoid any break in continuity, any Member State which has almost used up its initial quota shares should draw an additional quota share from the corresponding reserve; whereas this must be done by each Member State as and when each of its



ANNEX A

additional shares is almost used up, and repeated as many times as the reserve allows; whereas the initial and additional quota shares must be valid until the end of the quota period; whereas this method of administration requires close cooperation between the Member States and the Commission, and the Commission must be in a position to monitor the extent to which the quota volumes have been used up and inform the Member States thereof:

Whereas if, at a given date in the quota period, a considerable quantity of an initial share remains unused in any Member State, it is essential that that Member States should return a significant proportion to the reserve to prevent a part of the Community quota from 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 operation relating to the administration of the quota shares allocated to that economic union may be carried out by any one of its members,

HAS ADOPTED THIS REGULATION:

*Article 1*

1. From 1 July 1980 to 30 June 1981, Community tariff quotas shall be opened for products originating in Portugal, within the limits set out below:

*(b)*

CCT heading No	Description	Quota amount
ex 22.05 C III a) 1	} Port wines	100 000
ex 22.05 C IV a) 1		
ex 22.05 C III b) 1	} Port wines	260 000
ex 22.05 C IV b) 1		

2. The Common Customs Tariff duties on wines imported within these tariff quotas shall be suspended at the rates set out below:

CCT heading No	Rate of duty (ECU/hl)
ex 22.05 C III a) 1	6.5
ex 22.05 C IV a) 1	7.0
ex 22.05 C III b) 1	6.6
ex 22.05 C IV b) 1	7.2

3. The wines shall benefit from these tariff quotas only if the provisions of Article 18. (3) and (4) of Regulation (EEC) No 337/79 are respected.

Article 2

1. The tariff quotas referred to in Article 7 shall be divided into two instalments.

2. The first instalment of each quota shall be allocated among the Member States; the respective shares, which subject to Article 5 shall be valid until 30 June 1981, shall be as follows:

*(bt)*

Member States	Port wines falling within subheadings:	
	ex 22.05 C III a) 1 and ex 22.05 C IV a) 1	ex 22.05 C III b) 1 and ex 22.05 C IV b) 1
Benelux	14 560	35 980
Denmark	4 320	11 860
Germany	7 840	15 180
France	30 960	95 680
Ireland	320	420
Italy	12 800	210
United Kingdom	9 200	48 670
Total	80 000	208 000

(b) The second instalment of each quota, namely 20 000 and 52 000 hectolitres respectively, shall constitute the corresponding reserve.

*Article 3*

1. If 90% or more of one of the Member State's initial shares as specified in Article 2 (2), or of that share minus the portion returned to the reserve where Article 5 is applied, has been used up, then, to the extent permitted by the amount of the reserve, that Member State shall forthwith, by notifying the Commission, draw a second share equal to 15% of its initial share, rounded up where necessary to the next unit.

2. If, after one of its initial shares has been used up, 90% or more of the second share drawn by a Member State has been used up, then, to the extent permitted by the amount of the reserve, that Member State shall, in accordance with the conditions laid down in paragraph 1, draw a third share equal to 7.5% of its initial share, rounded up where necessary to the next unit.

3. If, after one of its second shares has been used up, 90% or more of the third share drawn by a Member State has been used up, that Member State shall, in accordance with the conditions laid down in paragraph 1, draw a fourth share equal to the third.

This process shall continue until the reserve is used up.

4. By way of derogation from paragraphs 1, 2 and 3, a Member State may draw shares smaller than those fixed in those paragraphs if there is reason to believe that these might not be used up. It shall inform the Commission of its reasons for applying this paragraph.

#### *Article 4*

Each of the additional shares drawn pursuant to Article 3 shall be valid until 30 June 1981.

#### *Article 5*

Member States shall return to the reserve, not later than 1 April 1981, the unused portion of their initial share which, on 15 March 1981, is in excess of 20% of the initial volume. They may return a larger quantity if there are grounds for believing that it might not be used.

Each Member State shall, not later than 1 April 1981, notify the Commission of the total quantities of the products concerned imported up to 15 March 1981 inclusive and charged against the Community quotas and of any quantities of the initial shares returned to each reserve.

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

Done at Brussels,

#### *Article 6*

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

It shall, not later than 5 April 1981, inform the Member States of the amount in each reserve after quantities have been returned thereto pursuant to Article 5.

The Commission shall ensure that any drawing which uses up any reserve is limited to the balance available and, to this end, shall specify the amount thereof to the Member State which makes the last drawing.

#### *Article 7*

1. The Member States shall take all measures necessary 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 accumulated shares of the Community quotas.

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

3. The extent to which a Member State has used up its shares shall be determined on the basis of the imports of the products concerned originating in Portugal as and when the goods are entered with customs authorities for free circulation.

#### *Article 8*

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

#### *Article 9*

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

#### *Article 10*

This Regulation shall enter into force on 1 July 1980.

*For the Council*

*The President*

PROPOSAL FOR A  
COUNCIL REGULATION (EEC)

opening, allocating and providing for the administration of Community tariff quotas for Madeira wines, falling within heading No ex 22.05 of the Common Customs Tariff and originating in Portugal (1980/81)

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 Article 9 of the Supplementary Protocol (1) annexed to the Agreement between the European Economic Community and the Portuguese Republic (2),

provides  
that customs duties on imports into the Community of certain wines originating in Portugal shall be reduced:

- by 60% in the case of the duties applicable to Madeira wines falling within subheadings ex 22.05 C III a) 1 and ex 22.05 C IV a) 1 of the Common Customs Tariff, up to a total annual tariff quota of 4000 hectolitres, and
- by 50% in the case of the duties applicable to Madeira wines falling within subheadings ex 22.05 C III b) 1 and ex 22.05 C IV b) 1 of the Common Customs Tariff up to a total annual tariff quota of 14 500 hectolitres;

Whereas Portugal has given an assurance that the price for wines originating in its territory will not be lower than the reference price less the customs duties actually charged; whereas, as a result thereof, the wines covered by those tariff quotas should be treated in the same manner as wines granted preferential tariff concessions, provided the free-at-frontier reference price is observed; whereas such wines benefit from the tariff concessions only if the provisions of Article 18 of Regulation (EEC) No 337/79 (3) are respected; whereas those provisions apply to imports under those quotas;

(1) OJ No. L 348, 30.12.1973, p. 44  
(2) OJ No. L 301, 31.12.1972, p. 165  
(3) OJ No. L 54, 5.3.1979, p. 1.

Whereas it is in particular necessary to ensure for all Community importers equal and uninterrupted access to the abovementioned quotas and uninterrupted application of the rates laid down for these quotas to all imports of the products concerned into all Member States until the quotas have been used up; whereas, having regard to the above principles, the Community nature of the quotas can be respected by allocating the Community tariff quota among the Member States; whereas, in order to reflect as accurately as possible the actual trend of the market in the products concerned, such allocation should be in proportion to the requirements of the Member States, calculated by reference to the statistics of each State's imports of the said products from Portugal over a representative reference period and also to the economic outlook for the quota period in question;

Whereas available Community statistics give no information on the situation of Madeira wines on the markets; whereas, however, Portuguese statistics for exports of these products to the Community during the past few years can be considered to reflect approximately the situation of Community imports; whereas on this basis the corresponding imports by each of the Member States during the past three years represent the following percentages of the imports into the Community from Portugal of the products concerned:

ANNEX B

	1976	1977	1978
Madeira wines:			
— in containers holding two litres or less:			
— Benelux	14.2	21.9	27.6
— Denmark	24.6	20.3	14.4
— Germany	7.7	13.3	20.9
— France	36.1	4.5	7.0
— Ireland	1.0	2.9	0.0
— Italy	6.9	23.8	19.9
— United Kingdom	9.5	13.4	10.2
— in containers holding more than two litres:			13.3
— Benelux	12.4	14.5	9.3
— Denmark	14.8	10.7	18.8
— Germany	17.5	21.0	49.1
— France	43.4	41.7	—
— Ireland	0.1	—	—
— Italy	—	—	—
— United Kingdom	11.8	12.1	9.8

Whereas, in view of these factors and of the estimates submitted by certain Member States, initial quota shares may be fixed approximately at the following percentages:

Member States	Madera wines in containers holding:	
	two litres or less	more than two litres
Benelux	20.8	13.3
Denmark	20.0	11.5
Germany	13.6	19.1
France	16.4	44.7
Ireland	1.7	0.1
Italy	16.4	0.1
United Kingdom	11.1	11.2

Whereas, in order to take into account import trends for the products concerned in the various Member States, each of the quota volumes should be divided into two instalments, the first being allocated among the Member States and the second constituting a reserve to cover at a later date the requirements of Member States which have used up their initial quota shares; whereas, in order to give importers in each Member State a certain degree of security, the first instalment of the Community quotas should, under the present circumstances, be fixed at 90% of each of the quota volumes;

Whereas the initial quota shares of the Member States may be used up at different times; whereas, in order to take this fact into account and avoid any break in continuity, any Member State which has almost used up its initial quota shares should draw an additional quota share from the corresponding reserve; whereas this must be done by each Member State as and when each of its

additional shares is almost used up, and repeated as many times as the reserve allows; whereas the initial and additional quota shares must be valid until the end of the quota period; whereas this method of administration requires close cooperation between the Member States and the Commission, and the Commission must be in a position to monitor the extent to which the quota volumes have been used up and inform the Member States thereof;

Whereas if, at a given date in the quota period, a substantial quantity of an initial share remains unused in any Member State, it is essential that that Member State should return a significant proportion to the reserve to prevent a part of any Community quota from 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 operation relating to the administration of the quota shares allocated to that economic union may be carried out by any one of its members,

HAS ADOPTED THIS REGULATION:

*Article 1*

1. From 1 July 1980 to 30 June 1981, Community tariff quotas shall be opened for products originating in Portugal, and within the limits set out below:

*(hl)*

CCT heading No	Description	Quota amount
ex 22.05 C III a) 1	} Madeira wines	4 000
ex 22.05 C IV a) 1		
ex 22.05 C III b) 1	} Madeira wines	14 500
ex 22.05 C IV b) 1		

2. The Common Customs Tariff duties on wines imported within these tariff quotas shall be suspended at the rates set out below:

CCT heading No	Rate of duty (ECU/hl)
ex 22.05 C III a) 1	6.5
ex 22.05 C IV a) 1	7.0
ex 22.05 C III b) 1	6.6
ex 22.05 C IV b) 1	7.2

3. The wines shall benefit from these tariff quotas only if the provisions of Article 18 (3) and (4), of Regulation (EEC) No. 337/79 are respected.

#### Article 2

1. The tariff quotas referred to in Article 1 shall be divided into two instalments.

2. The first instalment of each quota shall be allocated among the Member States; the respective shares, which subject to Article 5 shall be valid until 30 June 1987, shall be as follows:

Member States	(b)	
	Madeira wines falling within subheadings.	
	ex 22.05 C III a) 1 and ex 22.05 C IV a) 1	ex 22.05 C III b) 1 and ex 22.05 C IV b) 1
Benelux	750	1 730
Denmark	720	1 500
Germany	490	2 480
France	590	5 800
Ireland	60	15
Italy	590	15
United Kingdom	400	1 460
Total	3 600	13 000

3. The second instalment of each quota, namely 400 and 1500 hectolitres respectively, shall constitute the reserve.

#### Article 3

1. If 90% or more of one of a Member State's initial shares as specified in Article 2 (2), or of that share minus the portion returned to the reserve where Article 5 is applied, has been used up, then, to the extent permitted by the amount of the reserve, that Member State shall forthwith, by notifying the Commission, draw a second share equal to 15% of its initial share, rounded up where necessary to the next unit.

2. If, after one of its initial shares has been used up, 90% or more of the second share drawn by a Member State has been used up, then, to the extent permitted by the amount of the reserve, that Member State shall, in accordance with the conditions laid down in paragraph



1, draw a third share equal to 7.5% of its initial share, rounded up where necessary to the next unit.

3. If, after one of its second shares has been used up, 90% or more of the third share drawn by a Member State has been used up, that Member State shall, in accordance with the conditions laid down in paragraph 1, draw a fourth share equal to the third.

This process shall continue until the reserve is used up.

4. By way of derogation from paragraphs 1, 2 and 3, a Member State may draw shares smaller than those fixed in those paragraphs if there is reason to believe that they might not be used up. It shall inform the Commission of its reasons for applying this paragraph.

#### *Article 4*

Each of the additional shares drawn pursuant to Article 3 shall be valid until 30 June 1981.

#### *Article 5*

Member States shall return to the reserve, not later than 1 April 1981, such unused portion of their initial share as, on 15 March 1981, is in excess of 20% of the initial volume. They may return a larger quantity if there are grounds for believing that it might not be used.

Each Member State shall, not later than 1 April 1981, notify the Commission of the total quantities of the products concerned imported up to 15 March 1981, inclusive and charged against the Community quotas and of any quantities 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 shall, as soon as it is notified, inform each State of the extent to which the reserves have been used up.

It shall, not later than 5 April 1981, inform the Member States of the amount in each reserve after quantities have been returned thereto pursuant to Article 5.

The Commission shall ensure that any drawing which uses up any reserve is limited to the balance available and, to this end, shall specify the amount thereof to the Member State which makes the final drawing.

*Article 7*

1. The Member States shall take all measures necessary 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 accumulated shares of the Community tariff quotas.

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

3. The extent to which a Member State has used up its shares shall be determined on the basis of the imports of the products concerned originating in Portugal and entered with customs authorities for free circulation.

*Article 8*

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

*Article 9*

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

*Article 10*

This Regulation shall enter into force on 1 July 1980.

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

Done at Brussels,

*For the Council*

*The President*

PROPOSAL FOR A  
COUNCIL REGULATION (EEC)

opening, allocating and providing for the administration of Community tariff quotas for Setubal muscatel wines, falling within heading No ex 22.05 of the Common Customs Tariff and originating in Portugal (1980/81)

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 Article 9 of the Supplementary Protocol (1) annexed to the Agreement between the European Economic Community and the Portuguese Republic (2) as amended by the Interim Agreement between the European Economic Community and the Portuguese Republic (3), provides that customs duties on imports into the Community of certain wines originating in Portugal shall be reduced:

- by 60% in the case of the duties applicable to Setubal muscatel wines falling within subheadings ex 22.05 C III a) 1 and ex 22.05 C IV a) 1 of the Common Customs Tariff, up to a total annual tariff quota of 2000 hectolitres, and
- by 50% in the case of the duties applicable to Setubal muscatel wines falling within subheadings ex 22.05 C III b) 1 and ex 22.05 C IV b) 1 of the Common Customs Tariff up to a total annual tariff quota of 1000 hectolitres;

Whereas Portugal has given an assurance that the price for wines originating in its territory will not be lower than the reference price less the customs duties actually charged; whereas, as a result thereof, the wines covered by those tariff quotas should be treated in the same manner as wines granted preferential tariff concessions, provided the free-at-frontier reference price is observed; whereas such wines benefit from the tariff concessions only if the provisions of Article 18 of Regulation (EEC) No 337/79 (3) are respected; whereas those provisions apply to imports under those quotas;

(1) OJ No. L 348, 31.12.1979, p. 44

(2) OJ No. L 301, 31.12.1972, p. 165,

(3) OJ No. L 54, 5.03.1979, p. 1.

Whereas it is in particular necessary to ensure for all Community importers equal and uninterrupted access to the abovementioned quotas and uninterrupted application of the rates laid down for these quotas to all imports of the products concerned into all Member States until the quotas have been used up; whereas, having regard to the above principles, the Community nature of the quotas can be respected by allocating the Community tariff quota among the Member States; whereas, in order to reflect as accurately as possible the actual trend of the market in the products concerned, such allocation should be in proportion to the requirements of the Member States, calculated by reference to the statistics of each State's imports of the said products from Portugal over a representative reference period and also to the economic outlook for the quota period in question;

Whereas available Community statistics give no information on the situation of Setubal muscatel wines on the markets; whereas, however, Portuguese statistics for exports of these products to the Community during the past few years can be considered to reflect approximately the situation of Community imports; whereas on this basis the corresponding imports by each of the Member States during the past three years represent the following percentages of the imports into the Community from Portugal of the products concerned:

ANNEX C

	1976	1977	1978
Setubal muscatel wines:			
— in containers holding two litres or less:			
— Benelux	—	6	13
— Denmark	83	6	—
— Germany	—	—	37
— France	—	28	13
— Ireland	—	—	—
— Italy	17	—	—
— United Kingdom	—	60	37
— in containers holding more than two litres:			
— Benelux	—	—	—
— Denmark	—	—	—
— Germany	—	—	—
— France	—	—	—
— Ireland	—	—	—
— Italy	—	—	—
— United Kingdom	—	—	—

Whereas, in view of these factors and of the estimates submitted by certain Member States, initial quota shares may be fixed approximately at the following percentages:

Member States	Setubal muscatel wines in containers holding:	
	two litres or less	more than two litres
Benelux	20	20
Denmark	5	5
Germany	20	20
France	20	20
Ireland	5	5
Italy	10	10
United Kingdom	20	20

Whereas, in order to take into account import trends for the products concerned in the various Member States, each of the quota volumes should be divided into two instalments, the first being allocated among the Member States and the second constituting a reserve to cover at a later date requirements of Member States which have used up their initial quota shares; whereas, in order to give importers in each Member State a certain degree of security, the first instalment of the Community quota should, under the present circumstances, be fixed at 50% of each of the quota volumes;

Whereas the Member States' initial shares may be used up at different times; whereas, in order to take this fact into account and avoid any break in continuity, any Member State which has almost used up its initial quota shares should draw an additional share from the corresponding reserve; whereas this must be done by each Member State as and when each of its additional

shares is almost used up, and repeated as many times as the reserve allows; whereas the initial and additional quota shares must be valid until the end of the quota period; whereas this method of administration requires close cooperation between Member States and the Commission, and the Commission must be in a position to monitor the extent to which the quota volumes have been used up and inform the Member States thereof;

Whereas if, at a given date in the quota period, a substantial quantity of an initial share remains unused in any Member State, it is essential that that Member State should return a significant proportion to the reserve to prevent a part of any Community quota from 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 operation relating to the administration of the quota shares allocated to that economic union may be carried out by any one of its members,

HAS ADOPTED THIS REGULATION:

*Article 1*

1. From 1 July 1980 to 30 June 1981 Community tariff quotas shall be opened for products originating in Portugal, and within the limits set out below:

(bt)

CCT heading No	Description	Quota amount
ex 22.05 C III a) 1 ex 22.05 C IV a) 1	} Setubal muscatel wines	2 000
ex 22.05 C III b) 1 ex 22.05 C IV b) 1		
	} Setubal muscatel wines	1 000

2. The Common Customs Tariff duties on wines imported within these tariff quotas shall be suspended at the rates set out below:

CCT heading No	Rate of duty (per cent)
ex 22.05 C III a) 1	6.5
ex 22.05 C IV a) 1	7.0
ex 22.05 C III b) 1	6.6
ex 22.05 C IV b) 1	7.2

3. The wines shall benefit from these tariff quotas only if the provisions of Article 18 (3) and (4) of Regulation (EEC) No. 337/79 are respected.

#### Article 2

1. The tariff quotas referred to in Article 1 shall be divided into two instalments.
2. The first instalment of each quota shall be allocated among the Member States; the respective shares, which subject to Article 5 shall be valid until 30 June 1981, shall be as follows:

Member States	(b)	
	Setubal muscatel wines falling within subheadings:	
	ex 22.05 C III a) 1 and ex 22.05 C IV a) 1	ex 22.05 C III b) I and ex 22.05 C IV b) 1
Benelux	200	100
Denmark	50	25
Germany	200	100
France	200	100
Ireland	5	25
Italy	100	50
United Kingdom	200	100
Total	1000	500

3. The second instalment of each quota, namely 1000 hectolitres and 500 hectolitres respectively, shall constitute the reserve.

#### Article 3

1. If 90% or more of the Member State's initial share as specified in Article 2 (2), or of that share minus the portion returned to the reserve where Article 5 is applied, has been used up, then, to the extent permitted by the amount of the reserve, that Member State shall forthwith, by notifying the Commission, draw a second share equal to 15% of its initial share, rounded up where necessary to the next unit.

2. If, after one of its initial shares has been used up, 90% or more of the second share drawn by a Member State has been used up, then, to the extent permitted by the amount of the reserve, that Member State shall, in accordance with the conditions laid down in paragraph

1, draw a third share equal to 7.5% of its initial share, rounded up where necessary to the next unit.

3. If, after one of its second shares has been used up, 90% or more of the third share drawn by a Member State has been used up, that Member State shall, in accordance with the conditions laid down in paragraph 1, draw a fourth share equal to the third.

This process shall continue until the reserve is used up.

4. By way of derogation from paragraphs 1, 2 and 3, a Member State may draw shares smaller than those fixed in those paragraphs if there is reason to believe that these might not be used up. It shall inform the Commission of its reasons for applying this paragraph.

#### Article 4

Each of the additional shares drawn pursuant to Article 3 shall be valid until 30 June 1981.

#### Article 5

Member States shall return to the reserve, not later than 1 April 1981, such unused portion of their initial share as, on 15 March 1981, is in excess of 20% of the initial volume. They may return a larger quantity if there are grounds for believing that it may not be used.

Each Member State shall, not later than 1 April 1981, notify the Commission of the total quantities of the products in question imported up to 15 March 1981 inclusive and charged against the Community quotas and of any quantities of the initial shares returned to each reserve.

#### Article 6

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

It shall inform the Member States, not later than 5 April 1981, of the amount of each reserve after quantities have been returned thereto pursuant to Article 5.

The Commission shall ensure that any drawing which uses up the reserve is limited to the balance available and, to this end, shall indicate the amount thereof to the Member State which makes such last drawing.

*Article 7*

1. The Member States shall take all measures necessary 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 accumulated shares of the Community tariff quotas.

2. The 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. The extent to which a Member State has used up its shares shall be determined on the basis of imports of the products in question originating in Portugal and entered with the customs authorities for free circulation.

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

Done at Brussels,

*Article 8*

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

*Article 9*

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

*Article 10*

This Regulation shall enter into force on 1 July 1980.

*For the Council*

*The President*

