COMMISSION OF THE EUROPEAN COMMUNITIES

COM(74) 918 final
Brussels, 24 June 1974

DRAFT

REGULATION (EEC) OF THE COUNCIL

on the opening, allocation and administration of Community tariff quotas for bullion lead, and unwrought lead other than bullion lead, falling within subheadings Nos 78.01 A 1 and A II of the Common Customs Tariff.

DRAFT

REGULATION (EEC) OF THE COUNCIL

on the opening, allocation and administration of a Community tariff quota for unwrought zinc falling within subheading No 79.01 of the Common Customs Tariff

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COM(74) 918 final

EXPLANATORY MEMORANDUM

1. At the negotiations with the countries which had applied for accession to the Communities, an overall solution was arrived at concerning lead and zinc. That solution, which entails the renunciation by Member States of rights enjoyed under Protocol No XV on list G, is embodied in Protocols Nos 14 and 15 to the Act of Accession. It may be summarized as follows:

Bullion lead

(a) the subdivision of this metal in the Common Customs Tariff by the creation of a new subheading within heading No 78.01;

(b) the conversion of the present specific duty of 1.32 u.a./100 kg into an ad valorem duty of 4.5%[1];

(c) to cover the period until the entry into force of a total suspension of the duty for an indefinite period, a nil duty Community tariff quota to be opened, of an amount equal to the total of requests received from Member States, together with a reserve, both to be subject to the system of prior allocation;

(d) the new Member States to share in the tariff quota from 1 January 1974;

(e) the duty to be suspended at a level of 2% from 1 January 1975;

(f) from 1973, the possibility of a total suspension of the duty for an indefinite period to be reviewed annually;

Unwrought lead other than bullion lead

(a) the conversion as soon as possible and by 1 January 1974 at the latest of the present specific duty of 1.32 u.a./100 kg into an ad valorem duty of 4.5% with a minimum charge of 1.1 u.a./100 kg;

(b) the new Member States to share in the 55 000 metric ton nil duty Community tariff quota from 1 January 1974;

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[1] In point of fact, the Common Customs Tariff provides in respect of this subheading for an autonomous duty of 4.5% and a conventional duty of 1.32 u.a./100 kg.

(c) the reduction from 1 January 1975 of the amount of the quota, which will be abolished by 31 December 1977;

(d) an examination of the situation, before the quota is abolished, with a view to deciding on a possible reduction of the duty (with a minimum charge of 1.1 u.a./100 kg), it being understood that, whatever the action taken, protection of the Community smelting industry must continue;

Unwrought zinc

(a) the conversion from 1 January 1974 of the specific duty of 1.32 u.a./100 kg into a duty of 4.5% with a minimum charge of 1.1 u.a./100 kg;

(b) the new Member States to share from that date in the nil duty tariff quota which, fixed at 30 000 metric tons in 1971, will be reduced each year, except in 1974, and will be abolished with effect from 31 December 1977.

2. The Commission notes that, although the Community nature of the quotas opened was insufficiently marked, the system adopted for the years 1971 to 1974 constituted the only means possible of progressing from the purely national arrangements towards a Community solution. This is why the draft Regulations annexed hereto, concerning the quotas to be opened for 1975, are very largely based on those for the preceding years as regards the conditions on which the quotas are opened, their allocation and uniform method of administration.

Furthermore, these draft Regulations take account of the opinion jointly expressed by the experts that the Member States should be at liberty to restrict the unwrought lead other than bullion lead and the zinc to be charged against the quotas to lead and zinc of certain qualities or lead and zinc to be used for certain purposes.

ANNEX A

Draft

REGULATION (EEC)   OF THE COUNCIL

on the opening, allocation and administration of Community tariff quotas for bullion lead, and unwrought lead other than bullion lead, falling within subheadings Nos 78.01 A I and A II of the Common Customs Tariff

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community, and in particular Article 28 thereof;

Having regard to the draft Regulation submitted by the Commission;

Whereas Protocol 14[1] to the Act of Accession provides that the Community is to open each year nil duty Community tariff quotas for bullion lead (for refining, containing 0.02% or more by weight of silver) falling within subheading No 78.01 A I until the entry into force of a total suspension of the customs duty for an indefinite period and for lead other than bullion lead falling within subheading No 78.01 A II, the amount of the quota to correspond, in the case of bullion lead, to the total amount in respect of which requests have been received by Member States, plus a Community reserve and, in the case of unwrought lead other than bullion lead, to decrease annually from 1 January 1975 by an amount fixed for 1974 at 55 000 metric tons to zero in 1978; whereas the Protocol also provides that the new Member States are to share in the tariff quotas from 1 January 1974;

[1] OJ No L 73, 27 March 1972, p. 171.

whereas the duties to be applied by the new Member States in respect of imports coming within those tariff quotas must be in accordance with the provisions laid down therefor in the Act of Accession; whereas Community tariff quotas should therefore be opened on 1 January 1975 for 41 000 metric tons of unwrought lead other than bullion lead and for 350 000 metric tons (representing the estimated requirements of the Member States) of bullion lead;

Whereas, in view of the fact that interpenetration between the markets in bullion lead and in unwrought lead other than bullion lead is slight and that full statistics relating to these two qualities of lead are lacking, it does not seem possible to base the allocation of the Community tariff quotas in question on earlier data; whereas the figure of 41 000 metric tons fixed for unwrought lead other than bullion lead takes account of the need to preserve a certain balance among the various products which could be charged against the tariff quota for unwrought lead in general, thereby maintaining protection of the smelting industry; whereas Member States should therefore be at liberty to authorize only products satisfying certain conditions as to quality and intended use to be charged against that quota of 41 000 metric tons;

Whereas, in order to make greater allowance for changes in import trends in respect of the products in question, the quota for each quality of unwrought lead should be divided into two <u>tranches</u>, the first to be allocated among the Member States, the second to form a reserve intended to cover any subsequent requirements of Member States which exhaust their initial shares; whereas, in order to ensure a certain degree of security for importers, the initial <u>tranches</u> should be set at 315 600 metric tons, in the case of bullion lead, and 38 130 metric tons, in the case of unwrought lead other than bullion lead, the remainder constituting the reserve; whereas, having regard to estimates taking account of market trends in these products, the first <u>tranches</u> may be allocated as follows:

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ANNEX A

metric tons

	bullion lead	unwrought lead, other
Benelux	35 000	14 210
Denmark	50	386
Germany	90 000	8 127
France	500	226
Ireland	50	5
Italy	40 000	8 127
United Kingdom	150 000	7 049

Whereas Member States may exhaust their initial shares at different rates; whereas to avoid disruption of supplies on this account it should be provided that any Member State which has almost used up either of its initial shares should draw an additional share from the reserve; whereas each time one of its additional shares is almost exhausted a Member State should draw a further 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 the Member States and the Commission, and the Commission must be in a position to keep account 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 one or other of a Member State's initial shares remains unused it is essential, to prevent a part of one or other of the quotas from remaining unused in one Member State while it could be used in others, that such State should return a significant proportion thereof to the reserve;

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ANNEX A

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 transaction in respect of 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. There shall be opened within the Community for the period 1 January to 31 December 1975 in respect of the products and in the amounts indicated below, Community tariff quotas as follows:

CCT Heading No	Description of goods	Quota amount
78.01 A I	Unwrought lead for refining, containing 0.02% or more by weight of silver (bullion lead)	350 000 t
78.01 A II	Unwrought lead other than bullion lead	41 000 t

2. Where the products in question are already imported duty-free under other preferential tariff arrangements entered into by certain Member States, in particular free trade agreements, such imports shall not be counted against these tariff quotas.
3. The Common Customs Tariff duty shall be totally suspended in respect of importations under the above quotas.
4. New Member States shall apply, in respect of importations within the quotas, duties calculated in accordance with the relevant provisions of the Act of Accession.

Article 2

1. The first tranches of 315 000 metric tons of bullion lead and 38 130 metric tons of unwrought lead other than bullion lead shall be allocated among the Member States. The shares, which subject to Article 5 shall be be valid from 1 January to 31 December 1975, shall be allocated as follows:

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(a) unwrought lead for refining, containing 0.02% or more by weight of silver (bullion lead):

Benelux	35 000 metric tons
Denmark	50 metric tons
Germany	90 000 metric tons
France	500 metric tons
Ireland	50 metric tons
Italy	40 000 metric tons
United Kingdom	150 000 metric tons;

(b) unwrought lead, other:

Benelux	14 210 metric tons
Denmark	386 metric tons
Germany	8 127 metric tons
France	226 metric tons
Ireland	5 metric tons
Italy	8 127 metric tons
United Kingdom	7 049 metric tons

2. The second tranches, of 34 400 (metric tons) and 2 870 metric tons respectively, shall constitute Community reserves.

Article 3

1. As soon as a Member State has used 90% or more of one of its initial shares as fixed in Article 2(1), or of that share minus any portion returned to the relevant reserve pursuant to Article 5, it 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. As soon as a Member State, after exhausting one of its initial shares, has used 90% or more of the second share drawn by it, that Member State shall forthwith, 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. As soon as a Member State, after exhausting one of its second shares, has used 90% or more of the third share drawn by it, that Member State shall, in the manner and to the extent provided in paragraph 1, draw a fourth share equal to the third.

It shall continue in this fashion until the reserve is exhausted.

4. By way of derogation from paragraphs 1, 2 and 3, a Member State may draw shares lower than those specified in those paragraphs if there are grounds for believing that those specified may not be used in full. Any Member State applying this paragraph shall inform the Commission of its grounds for so doing.

Article 4

Additional shares drawn pursuant to Article 3 shall be valid until 31 December 1975.

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Article 5

A Member State which on 15 October 1975 has not exhausted one of its initial shares shall not later than 31 October 1975 return to the reserve any unused portion in excess of 20% of the initial amount. It may return a greater portion if there are grounds for believing that such portion may not be used in full.

Member States shall, not later than 31 October 1975, notify the Commission of the total quantities of the products in question imported up to and including 15 October 1975 and charged against the Community quota and of any portion of their initial shares returned to the reserve.

Article 6

Member States may restrict the unwrought lead other than bullion lead which may be charged against their quota shares to lead of certain qualities or lead to be used for certain purposes.

Article 7

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 the information reaches it, inform each State of the extent to which the reserve has been used up.

It shall, not later than 15 November 1975, inform the Member States of the amount still in reserve following any return of shares pursuant to Article 5.

It shall ensure that any drawing which exhausts the reserve is limited to the balance available and, to this end, shall specify the amount thereof to the Member State making the last drawing.

Article 8

1. Every Member State shall take all appropriate measures to ensure that additional shares drawn pursuant to Article 3 are opened in such a way that importations may be charged without interruption against its accumulated share of the Community quota.

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2. Every Member State shall ensure that importers of the products in question established in its territory have free access to the shares allocated to it.

3. Every Member State shall administer its share of the bullion lead quota according to a system of prior allocation.

4. The extent to which a Member State has used up its share shall be determined on the basis of the importations of the product in question entered with the customs authorities for home use.

Article 9

Every Member State shall notify the Commission at regular intervals of the importations charged against its share.

Article 10

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

Article 11

This Regulation shall enter into force on 1 January 1975.

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

Done at Brussels,

For the Council
The President

ANNEX B

DRAFT

REGULATION (EEC) OF THE COUNCIL

on the opening, allocation and administration of a Community tariff quota for unwrought zinc falling within subheading No 79.01 A of the Common Customs Tariff

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community, and in particular Article 28 thereof;

Having regard to the draft Regulation submitted by the Commission;

Whereas Protocol 15[1] to the Act of Accession provided that the Community is to open each year a nil duty Community tariff quota for zinc falling within subheading No 79.01 A, the amount of which quota, fixed at 30 000 metric tons for 1971, is to decrease annually, except in 1974, and be abolished on 31 December 1977; whereas the quota calculated on that basis amounts to 15 000 metric tons for 1975; whereas the Protocol also provides that the new Member States are to share in the

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[1] OJ No L 73, 27 March 1972, p. 172.

tariff quota from 1 January 1974; whereas the duties to be applied by the new Member States in respect of imports coming within those tariff quotas must be in accordance with the provisions laid down therefor in the Act of Accession; whereas the Community tariff quota in question should therefore be opened on 1 January 1975;

Whereas, in view of the fact that inter-penetration between the markets in unwrought zinc is slight, it does not seem possible to base the allocation of the Community tariff quota in question on earlier data; whereas the figure of 15 000 metric tons takes account of the need not to exceed a reasonable amount, thereby protecting Community productions; whereas for the purpose of determining the size of the quota, the estimated requirements of Member States for specific qualities of zinc have not been taken into account; whereas Member States should therefore be at liberty to authorize any products satisfying certain conditions as to quality and intended use to be charged against that quota;

Whereas, in order to make greater allowance for changes in import trends in respect of the products in question, the quota of 15 000 metric tons should be divided into two tranches, the first to be allocated among the Member States, the second to form a reserve intended to cover any subsequent requirements of Member States which exhaust their initial shares; whereas, in order to ensure a certain degree of security for importers, the initial tranche should be set at 13 500 metric tons, the remainder constituting the reserve; whereas, having regard to estimates taking account of market trends in these products, the first tranche may be allocated approximately at the following percentages:

Benelux	25.33
Denmark	0.31
Germany	42.67
France	1.33
Ireland	0.15
Italy	10.67
United Kingdom	19.54;

Whereas Member States may exhaust their initial shares at different rates; whereas to avoid disruption of supplies on this account it

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should be provided that 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 exhausted a Member State should draw a further 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 the Member States and the Commission, and the Commission must be in a position to keep account 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, to prevent a part of the quota from remaining unused in one Member State while it could be used in others, that such State should return a significant proportion thereof to the reserve;

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 transaction in respect of 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. There shall be opened within the Community for the period 1 January to 31 December 1975, in respect of unwrought zinc falling within subheading No 79.01A of the Common Customs Tariff, a Community tariff quota of 15 000 metric tons.

2. Where the product in question is already imported duty free under other preferential tariff arrangements entered into by certain Member States, in particular free trade arrangements, such imports shall not be counted against it the tariff quota.

3. The Common Customs Tariff duty shall be totally suspended in respect of importations under the above quota.

4. New Member States shall apply, in respect of importations within the quota, duties calculated in accordance with the relevant provisions of the Act of Accession.

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Article 2

1. A first tranche of 13 500 metric tons shall be allocated among the Member States. The shares, which subject to Article 5 shall be valid from 1 January to 31 December 1975, shall be as follows:

Benelux	3 420 metric tons
Denmark	42 metric tons
Germany	5 760 metric tons
France	180 metric tons
Ireland	20 metric tons
Italy	1 440 metric tons
United Kingdom	2 638 metric tons.

2. The second tranche, of 1 500 tons, shall constitute the Community reserve.

Article 3

1. As soon as a Member State has used 90% or more of its initial share as fixed in Article 2(1), or of that share minus any portion returned to the reserve pursuant to Article 5, it 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. As soon as a Member State, after exhausting its initial share, has used 90% or more of the second share drawn by it, that Member State shall forthwith 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. As soon as a Member State, after exhausting its second share, has used 90% or more of the third share drawn by it, that Member State shall, in the manner and to the extent provided in paragraph 1, draw a fourth share equal to the third.

It shall continue in this fashion until the reserve is exhausted.

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4. By way of derogation from paragraphs 1, 2 and 3, a Member State may draw shares lower than those specified in those paragraphs if there are grounds for believing that those specified may not be used in full. Any Member State applying this paragraph shall inform the Commission of its grounds for so doing.

Article 4

Additional shares drawn pursuant to Article 3 shall be valid until 31 December 1975.

Article 5

A Member State which on 15 October 1975 has not exhausted its initial share shall not later than 31 October 1975 return to the reserve any unused portion in excess of 20% of the initial account. It may return a greater portion if there are grounds for believing that such portion may not be used in full.

Member States shall, not later than 31 October 1975, notify the Commission of the total quantities of the product in question imported up to and including 15 October 1975 and charged against the Community quota and of any portion of their initial shares returned to the reserve.

Article 6

Member States may restrict the unwrought zinc which may be charged against their quota shares to zinc of certain qualities or zinc to be used for certain purposes.

Article 7

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 the information reaches it, inform each State of the extent to which the reserve has been used up.

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It shall, not later than 15 November 1975, inform the Member States of the amount still in reserve following any return of shares pursuant to Article 5.

It shall ensure that when an amount exhausting the reserve is drawn the amount so drawn 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 8

1. Every Member State shall take all appropriate measures to ensure that additional shares drawn pursuant to Article 3 are opened in such a way that importations may be charged without interruption against its accumulated share of the Community quota.

2. Every Member State shall ensure that importers of the product in question established in its territory have free access to the shares allocated to it.

3. The extent to which a Member State has used up its share shall be determined on the basis of the importations of the product in question entered with the customs authorities for home use.

Article 9

Every Member State shall notify the Commission at regular intervals of the importations charged against its share.

Article 10

The Member States and the Commission shall co-operate closely to ensure that this Regulation is complied with.

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Article 11

This Regulation shall enter into force on 1 January 1975.

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

Done at Brussels,

For the Council
The President

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