COMMISSION OF THE EUROPEAN COMMUNITIES

COM(77) 370 final.

Brussels, 26 July 1977

Proposal for a

COUNCIL REGULATION (EEC)

opening, allocating and providing for the administration of tariff quotas for certain types of paper and paperboard of sub-headings ex 48.01 C II and 48.01 F of the Common Customs Tariff originating in Portugal (1978).

(submitted to the Council by the Commission)

COM(77) 370 final.

EXPLANATORY MEMORANDUM

1. On 20 September 1976 the European Economic Community signed an Interim Agreement with the Portuguese Republic. Article 4 of the Agreement stipulates that for kraft paper and kraft board for wrapping, known as "kraftliner", and for paper and paperboard, other, of tariff subheadings ex 48.01 C II and 48.01 F originating in Portugal, the Community, as originally constituted, and Ireland, shall open, for the period from 1 January 1976 to 31 December 1983, annual zero-duty tariff quotas of 42 000 tonnes and 1 500 tonnes respectively. These quotas should be increased yearly by 5 %. The tariff quotas for 1978 should now be opened.

2. The draft regulation opening the tariff quotas provides – as is the rule in this field – for each quota volume to be divided into two instalments, the first being allocated among the Member States in the form of quota shares and the second forming the reserve.

   Concerning the allocation of the volume of the first instalment, the usual procedure should be applied, that is the proportion of the total imports of each Member State over the last three years to Community imports over the same period is worked out and the resulting percentages are applied – per Member State – to the volume of the first instalment.

3. The method of administration to be used by all the Member States is the "grey-hound-method".

4. The foregoing is the subject of the proposal for a regulation.

ANNEX : 1 proposal for a Regulation (EEC) of the Council.

Proposal for a

COUNCIL REGULATION (EEC) No ..../77

of ....

on the opening, allocation and administration of tariff quotas for certain types of paper and paperboard, falling within subheadings ex 48.01 C II and 48.01 F of the Common Customs Tariff, originating in Portugal (1978)

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 4 of the Interim Agreement between the European Economic Community and the Portuguese Republic (1) lays down that the Community as originally constituted and Ireland should open annual duty-free tariff quotas for Kraftliner and for other paper and paperboard falling within subheadings ex 48.01 C II and 48.01 F of the Common Customs Tariff, originating in Portugal, of 42 000 and 1 500 tonnes, respectively, which should be increased yearly by 5 % as from 1 January 1977; whereas the tariff quotas concerned should be opened for 1978;

Whereas equal and uninterrupted access to the said quotas should be ensured for all Community importers and the rates of duty for these quotas should be applied consistently to all imports of the products in question into the Member States concerned until the quotas have been used up; whereas, in the light of the principles outlined above, arrangements for the utilization of the Community tariff quotas based on an allocation among Member States would seem consistent with the Community nature of the quotas; whereas, in order that it may correspond as closely as possible to the actual market trends in the products in question, allocation of the quotas should be in proportion to the requirements of the Member States as calculated by reference to statistical data on imports of the said products from Portugal during a representative reference period and to the economic prospects for the quota period in question;

Whereas, during the last three years for which statistics are available, the corresponding imports into each of the Member States represent the following percentages of total imports of the product in question, originating in Portugal:

Member States	Subheading ex 48.01 C II			Subheading 48.01 F		
	1974	1975	1976	1974	1975	1976
Benelux	15·6	20·1	25.2	—	2·8	28.7
Germany	24·8	34·7	28.1	5.0	—	54.0
France	22·6	21·4	18.2	95.0	73·1	8.0
Ireland	2·9	6·7	6.7	—	24·1	9.3
Italy	34·1	17·1	21.8	—	—	—

(1) OJ No L 266, 29. 9. 1976, p. 1.

Whereas, in view of these factors and of market forecasts for the products concerned during the quota period in question, the percentage shares in the quota volumes may be expressed roughly as follows:

Member States	Subheading ex 48.01 C II	Subheading 48.01 F
Benelux	20·1	16
Germany	34·7	32
France	22·4	35
Ireland	5·8	12
Italy	17·0	5

Whereas, in order to take account of future trends in imports of the products in question into the various Member States, each of the quotas should be divided into two tranches, the first to be allocated among all the Member States and the second to form a reserve intended to cover any subsequent requirements of Member States which have used up their initial shares; whereas, in order to ensure a certain degree of security for importers in each Member State, the first tranche of the tariff quota should be set at a level which in this case might be 75 % of each of the quota volumes;

Whereas Member States may use up their initial shares at different rates; whereas, to provide for this eventuality and to avoid disruption of supplies, any Member State which has almost used up any of its initial shares should drawn an additional share from the corresponding reserve; whereas this should be done by each Member State when each of its additional shares has been almost used up, as many times as the reserve allows; whereas each of the initial and additional shares should be valid until the end of the quota period; whereas this form of administration requires close collaboration between Member States and the Commission, in which the latter must, in particular, be able to keep a record of the extent to which the quota has been used up and 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 that that Member State should return a significant proportion to the corresponding reserve, so as to avoid a part of any of the tariff quotas 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 measure concerning 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

For the period 1 January to 31 December 1978 duty-free tariff quotas shall be opened in the Community as originally constituted and Ireland for products originating in Portugal and within the limits shown below:

(in metric tons)

CCT heading No	Description of goods	Tariff quota
48.01	Paper and paperboard (including cellulose wadding), machine-made, in rolls or sheets:	
	C. Kraft paper and kraft board:	
	ex II. Other:	
	— Kraftliner	46 305
	F Other	1 653

Article 2

1. The tariff quotas laid down in Article 1 shall be divided into two tranches.

2. A first tranche of each quota, i.e. 34 730 and 1 240 tonnes respectively, shall be allocated among the Member States; the shares, which subject to Article 5 shall be valid until 31 December 1978, shall be as follows:

(in tonnes)

Member States	Subheading ex 48.01 C II	Subheading 48.01 F
Benelux	6 980	200
Germany	12 050	400
France	7 780	435
Ireland	2 020	145
Italy	5 900	60

3. The second tranche of each quota, i.e. 11 575 and 413 tonnes respectively, shall constitute the corresponding reserve.

Article 3

1. If 90 % or more of any of a Member State's initial shares — as fixed in Article 2 (2) — or of that share minus any portion returned to the corresponding reserve, where Article 5 has been applied, has been used up, that Member State shall forthwith, by

notifying the Commission, draw a second share, to the extent that the reserve so permits, equal to 15 % of its initial share, rounded off upwards to the next whole number, if necessary.

2. If, after any of its initial shares has been used up, 90 % or more of the second share drawn by a Member State has been used up, that Member State shall, under the conditions laid down in paragraph 1 and to the extent that the reserve so permits, draw a third share equal to 7·5 % of its initial share, rounded off upwards to the next whole number, if necessary.

3. If, after any 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, under the conditions laid down in paragraph 1, draw a fourth share equal to the third.

This procedure shall apply until the reserve is used up.

4. By way of derogation from paragraphs 1, 2 and 3, Member States may draw shares less than those specified therein if there are grounds for believing that those specified may not be fully used up. They shall inform the Commission of their reasons for applying this paragraph.

Article 4

Each of the additional shares drawn pursuant to Article 3 shall be valid until 31 December 1978.

Article 5

Member States shall return to the reserve, not later than 1 October 1978, the unused portions of their initial shares which, on 15 September 1978, are in excess of 20 % of the initial amounts. They may return a greater portion if there are grounds for believing that such portion may not be fully used up.

Member States shall notify the Commission, not later than 1 October 1978, of the total quantities of the product in question imported up to and including 15 September 1978 and charged against the tariff quotas and of any portion of their initial shares returned to the reserves.

Article 6

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

It shall inform the Member States, not later than 5 October 1978, of the status of each of the reserves after amounts have been returned thereto pursuant to Article 5.

It shall ensure that the drawing which exhausts any of the reserves does not exceed the balance available and, to this end, notify the amount of that balance to the Member State making the last drawing.

Article 7

1. Member States shall take all appropriate measures to ensure that additional shares drawn pusuant to Article 3 are opened in such a way that imports may be charged without interruption against their aggregate shares of the tariff quota.

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

3. The Member States shall charge the imports of the products concerned against their shares as and when the goods are entered for home use.

4. The extent to which a Member State has used up its shares shall be determined on the basis of the imports charged under the conditions stipulated in paragraph 3.

Article 8

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

Article 9

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

Article 10

This Regulation shall enter into force on 1 January 1978.

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 line concerned : Ch. 12 Art. 120

2. Legal basis : Art 113

3. Title of the tariff measure :

Proposal for a Council Regulation (EEC) opening, allocating and providing for the administration of tariff quotas for certain types of paper and paperboard of subheadings ex 48.01 C II and 48.01 F of the Common Customs Tariff originating in Portugkmal (1978)

4. Objectives :

Execution of contractual obligation -Agreement EEC/Portugal-

5. Method of calculation :

- No of CCT.	:	ex 48.01 C II	48.01 F
- Quota volume	:	46,305 mt	1,653 mt
- Quota duty rate	:	free	free
- Duty rate CCT	:	8.5%	12%

6. Loss of receipts :

- 680,000 EUR to 1,120,000 EUR, according to the use of the quota (ex 48.01 C II)

- 15,000 EUR to 62,000 EUR, according to the use of the quota (- 48.01 F)