COMMISSION OF THE EUROPEAN COMMUNITIES

<u>COM(79)</u> 777 final

Brussels, 10 January 1980

Recommendation for a <u>COUNCIL DECISION</u>

authorizing the Commission to negotiate in the name of the Community agreements in the form of exchanges of letters rectifying certain dutyfree quotas opened by the United Kingdom in accordance with Protocol No 1 to the Free Trade Agreements between the European Economic Community and the Republic of Finland, between the European Economic Community and the Kingdom of Norway and between the European Economic Community and the Kingdom of Sweden

Recommendation for a

COUNCIL REGULATION

concerning the conclusion of Agreements in the form of Exchanges of Letters modifying certain duty-free quotas opened by the United Kingdom in accordance with Protocol No 1 to the Agreements between the European Economic Community and the Kingdom of Norway and the European Economic Community and the Kingdom

of Sweden

(submitted to the Council by the Commission)

RECOMMENDATION FOR A

Council Decision authorizing the Commission to negotiate in the name of the Community agreements in the form of exchanges of letters rectifying certain duty-free quotas opened by the United Kingdom in accordance with Protocol No. 1 to the Free Trade Agreements between the European Economic Community and the Republic of Finland, between the European Economic Community and the Kingdom of Norway and between the European Economic Community and the Kingdom of Sweden

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 Recommendation from the Commission;

Having regard to the Free Trade Agreements signed on 5 October 1973 between the European Economic Community and the Republic of Finland (1), on 14 May 1973 between the European Economic Community and the Kingdom of Norway (2), and on 22 July 1972 between the European Economic Community and the Kingdom of Sweden (3);

Whereas certain duty-free quotas opened by the United Kingdom in accordance with Protocol No 1 to the aforementioned Free Trade Agreements should be rectified due to errors in the statistics on which these quotas were based;

HAS DECIDED AS FOLLOWS:

Sole Article

The Commission is hereby authorized to negotiate, in the name of the Community, agreements in the form of exchanges of letters rectifying certain duty-free quotas opened by the United Kingdom in accordance with Protocol No. 1 to the Free Trade Agreements between the European Economic Community and the Republic of Finland, the European Economic Community and the Kingdom of Norway and the European Economic Community and the Kingdom of Sweden.

The Commission, assisted by representatives of the Member States, shall conduct the negotiations in accordance with the annexed directives.

Done at Brussels,

For the Council

Directive for ecgetiation from the Council to the Commission

In the reference period for the setting of the quotas (1968-71), the Scandinavian exported classified their exports of low coated board to the United Kingdom as uncertained board. It was therefore imported under United Kingdom tariff heading '3.01. Thus the import statistics for uncoated board (48.01) were too high and those for coated board (48.07) too low. The Scandinavian exporters expected this classification to continue, but the United Kingdom customs authorities later informed exporters that low coated board had to be entered under tariff heading 48.07. This changed classification, which in fact is a rectification, requires an analoguous rectification of the statistics of the reference period and therefore of the duty-free quotas set out in Annex A to Protocol No. 1.

The United Kingdom authorities checked the original invoices in the three countries in question. The conclusion of these checks was that the following rectification of the duty free quotas set out in Annex A to Protocol No. 1 should be made :

The original que as were established by increasing the average yearly trade figure for the period 1968-71 by four times 5 % cumulative. Thus the classification error build also be increased by four times 5 % and the amount be deducted from the 1974 quota for uncoated board and added to the quota for coated board in Amnex A to Protocol No. 1. The results would be the following :

I.	48.01 ex F other board	Finland	Norway	Sweden
	A. Original quota 1974	45.352 t	10.903 t	37.678 t
	B. Classification error	5.716 t	6.536t	3.461 t
	C. 4 x 5 % of B.	<u>.232</u> t	<u>1.409</u> t	746 t
	D. Rectification	.948 t -6.918 t	7.945 t <u>-7.945 t</u>	4.207 t -4.207 t
	E. New quota 1974	<u>38.404</u> t	2.958 t	<u>33.471_t</u>
II.	48.07 C others than prin- ting and writing paper			
	A. Original quota 1974	47.001 t	5.988 t (1)	34.998 t
	B. Correction as I. D. above	+5.948 t	+7.945 t	+4.207 t
	C. New quota 1974	<u>53.949 t</u>	<u>13.933 t</u> (1)	39.205 t

(1) Including printing and writing paper

Explanatory Memorandum

- The United Kingdom has nequested that the duty-free quotas for coated board and uncoated board laid down in Annex A to Protocol No. 1 of the Free Trade Agreements between the European Economic Community (EEC) and Finland, the EEC and Norway and the EEC and Sweden be rectified.
- 2. The reasons for this request are the following:

In the reference period for the setting of the quotas (1968-71), the Scandinavian exporters classified their exports of low coated board to the United Kingdom as uncoated board. It was therefore imported under United Kingdom tariff heading 48.01. Thus the import statistics for uncoated board (48.01) were too high and those for coated board (48.07) too low. The Scandinavian exporters expected this classification to continue, but the United Kingdom customs authorities later informed exporters that low coated board had to be entered under tariff heading 48.07. This changed classification, which in fact is a rectification, requires an analoguous rectification of the statistics of the reference period and therefore of the duty-free quotas set out in Annex A to Protocol No. 1.

- 3. This correction would bring the quotas in line with the real flow of trade in the reference period and thus correspond to the intention with which the quotas were established.
- 4. The attached draft exchanges of letters therefore propose to modify the United Kingdom duty-free quotas for coated and uncoated board contained in Annex A to Protocol No. 1 of the aforementioned Free Trade Agreement.
- 5. The Finnish, Norwegian and Swedish authorities have expressed their agreement with the procedure envisaged. It is proposed that Mr. Duch teau sign on behalf of the Community. The Finnish, Norwegian and Swedish Ambassadors could sign on behalf of their governments.
- 6. If the Council agrees to the proposed transfer from one duty free quota to another, the corresponding indicative ceilings provided for in Protocol No. 1 of the Agreements will have to be modified accordingly. A draft regulation to this end will be submitted to the Council separately.

RECOMMENDATION A COUNCIL REGULATION

concerning he conclusi it Agroements in the form of Exchanges of Letters modifying certain duty-i cuctas opened by the United Kingdom in accordance with Protocol No 1 to the greements between the European Economic Community and the Republic of Finl; i, the European Economic Community and the Kingdom of Norway and the European Economic Community and the Kingdom of Sweden

THE COUNCIL OF THE EURON A COMMUNITIES.

Having regard to the Tree costablishing the European Economic Community, and in particular Article 113 thereof,

Having regard to the Recommendation from the Commission,

Whereas the Agreements is seen the European Economic Community and the Republic of Finland (1), the European Economic Community and the Kingdom of Norway (2) and the European Economic Community and the Kingdom of Sweden (3) were signed in Brussels on 5 Octobe 373, 14 May 1973 and 22 July 1972 respectively; whereas certain duty-free quotas opened by the United Kingdom in accordance with Protocol No 1 to these Agreements should be rectified and the agreements in the form of Exchanges ? Letters negotiated to this effect approved,

HAS ADOFTED THIS REGULATION:

Article 1

The Agreements is the form of Exchanges of Letters modifying certain duty-free quotas opened by the United Kingdom in accordance with Protocol No 1 to the Agreements between the European Economic Community and the Republic of Finland, the European conomic Community and the Kingdom of Norway and the European Economic Community and the Kingdom of Sweden, are hereby approved on behalf of the Community.

The texts of the Greements are annexed to this Regulation.

Article 2

The President of the Council is hereby authorized to designate the person empowered to sign the Agreements in order to bind the Community.

Article 3

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

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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According to Protocol No 1 to the Free Trade Agreement between the European Economic Community and the houblic of Finland signed in Brussels on 5 October 1973, the United Kingdom has since January 1974 opened tariff quotas for uncoated paperboard (48.01) as well as for coated paperboard (48.07). The permissible maxima for these quotas were fixed on the basis of statistics available for the period 1968-71.

In the reference period for the setting of the quotas (1968-71), Finnish exporters classified their exports of low-coated board to the United Kingdom as uncoated board. It was therefore imported under United Kingdom tariff heading 48.01. Thus the import statistics for uncoated board (48.01) were too high and those for coated board (48.07) too low.

When this error was discover 1, the United Kingdom customs authorities required low coated board to be entered under tariff heading 48.07. This changed classification, which in fact is a rectification, requires an analoguous rectification of the statistics of the reference period and therefore of the duty-free quotas set out in Annex A to Protoc . No 1.

As the original quotas were stablished by increasing the average yearly trade figure for the period 1968-71 by four times 5 % cumulative, the classification error should also be increased by four times 5 % and the amount be deducted from the 1974 quota for uncoated ward and added to the quota for coated board in Annex A to Protocol No 1. The result would be the following:

1. 48.01 es F other board

A	. Original quota 1974	45.353 t
E	3. Classification error 5.716 t	
Ć	1.232 + 1.23	
I). Rectification 6.948 t	-6.948 t
F	S. New quota 1974	<u>38.404 t</u>
	8.07 C others than priming and writing paper	
A	. Original quota 1974	47.001 t
F	3. Correction as I.	+6.948 t
C	2. 10 m gassa 1574	53.949 t

His Excellency

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I should be grateful if you could confirm the agreement of the Finnish Authorities with the proposed amendments to Annex A to Protocol No 1 to the Free Trade Agreement.

Please accept, Sir, the assurance of my highest consideration.

On behalf of the Council of the European Communities Letter No 2

Sir,

I have the honour to acle wledge receipt of your letter of today in which you informed me as follows:

"According to Protocol 1 1 to the Free Trade Agreement between the European Economic Community and the Republic of Finland signed in Brussels on 5 October 1973, the United Kingdom as since January 1974 opened tariff quotas for uncoated paperboard (48.01) as well as for coated paperboard (48.07). The permissible maxima for the quotas were fixed on the basis of statistics available for the period 1968-71.

In the reference period or the setting of the quotas (1968-71), Finnish exporters classified their events of low-coated board to the United Kingdom as uncoated board. It was therefore aported under United Kingdom tariff heading 48.01. Thus the import statistic for uncoated board (48.01) were too high and those for coated board (48.07) oo low.

When this error was discored, the United Kingdom customs authorities required low coated board to be concerned under tariff heading 48.07. This changed classification, which in fact a rectification, requires an analoguous rectification of the statistics of the efference period and therefore of the duty-free quotas set out in Annex A to Propocol No 1.

As the original quotes — e established by increasing the average yearly trade figure for the period 19 -71 by four times 5% cumulative, the classification error should also be included by four times 5% and the amount be deducted from the 1974 quota for the doard and added to the quota for coated board in Annex A to Protocol No. The result would be the following:

I. <u>48.01 ex F other board</u>

•	A. Original guota 197			45.353 t
	B. Classification error	5.716 t		
	C. $4 \ge 5 \%$ of B.	1.232 +		
	D. Rectification	6.948		-6.948 t
	E. New quota 1974			<u>38.404 t</u>
II.	48.07 C others than writing paper		ی ۸۰ روم ۱۹۰۰ میلاد ۱۹۰۰ میلاد	
	A. Original quota 10			47.001 t
	B. Competition as I. D. above			+6.948 t
	C. New quote 19/4		·	53.949 t "

I have the honour to confirm the agreement of the Finnish Authorities on the foregoing.

Please accept, Sir, the assurance of my highest consideration.

For the Republic of Finland

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According to Protocol N 1 to the Free Trade Agreement between the European Economic Community and the Kingdom of Norway signed in Brussels on 14 May 1973, the United Kingdom as since January 1974 opened tariff quotas for uncoated paperboard (48.01) as well as for coated paperboard (48.07). The permissible maxima for these quotas were fixed on the basis of statistics available for the period 1968-71.

In the reference period for the setting of the quotas (1968-71), Norwegian exporters classified their exports of low-coated board to the United Kingdom as uncoated board. It was therefore imported under United Kingdom tariff heading 48.01. Thus the import optistics for uncoated board (48.01) were too high and those for coated board (43.07) too low.

When this error was discovered, the United Kingdom customs authorities required low coated board to be entered under tariff heading 48.07. This changed classification, which in fact is a rectification, requires an analoguous rectification of the statistics of the reference period and therefore of the duty-free quotas set out in Annex A to Protocol No 1.

As the original quotas were established by increasing the average yearly trade figure for the period 1963-71 by four times 5 % cumulative, the classification error should also be increased by four times 5 % and the amount be deducted from the 1974 quota for uncoal d board and added to the quota for coated board in Annex A to Protocol No 1. The result would be the following:

I. 48.01 exF other board

	A. Original quota 19,4		10.903 t
	B. Classification error	6.536 t	
	C. 4 x 5 % of B.	1.409 t	
	D. Rectification	7.945 t	-7.945 t
	E. New quota 1974		2.958 t
II.	48.07 C others than prin- ting and writing paper		
	A. Original quota 1974		5.988 t ⁽¹⁾
	B. Correction as I. D. above		+7.945 t
	C. New quota 1974		$\frac{+7.945 t}{13.933 t}(1)$
) including printing and writi	ing paper	

His Excellency Mr. Sverre J. Gjellum Head of the Norwegian Mission I should be grateful if you could confirm the agreement of the Norwegian Authorities with the proposed amendments to Annex A to Protocol No 1 to the Free Trade Agreement.

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Please accept, Sir, the assurance of my highest consideration.

On behalf of the Council of the European Communities

I have the honour to ach owledge receipt of your letter of today in which you informed me as follows:

"According to Protocol is to the Free Trade Agreement between the European Economic Community and e Kingdom of Norway signed in Brussels on 14 May 1973, the United Kingdom has since January 1974 opened tariff quotas for uncoated paperboard (48.01) as well as for coated paperboard (48.07). The permissible maxima for these quotas were fixed on the basis of statistics available for the period 1968-71.

In the reference period for the setting of the quotas (1968-71), Norwegian exporters classified their exports of low-coated board to the United Kingdom as uncoated board. It was therefore imported under United Kingdom tariff heading 48.01. Thus the import statistics for uncoated board (48.01) were too high and those for coated board (48.07) too low.

When this error was divered, the United Kingdom customs authorities required low coated board to be a tered under tariff heading 48.07. This changed classification, which in fact is a rectification, requires an analoguous rectification of the statistics of the reference period and therefore of the duty-free quotas set out in Annex A to Piotocol No 1.

As the original quotas re established by increasing the average yearly trade figure or the period 3-71 by four times 5% cumulative, the classification error should also be in eased by four times 5% and the amount be deducted from the 1974 quota for unce ed board and added to the quota for coated board in Annex A to Protocol No. The result would be the following:

I. 48.01 ex F other board

A. Original quota 1974		10.903 t
B. Classification error	6.536 t	
C. 4 x 5 % of B.	<u>1.409 t</u>	
D. Rectification	7.945 t	<u>-7.945 t</u>
E. New quota 1974	$\sum_{i=1}^{n-1} \frac{1}{i} \sum_{i=1}^{n-1} \frac{1}{i$	2.958 t

- II. 48.07 C others than printing and writing proce
 - A. Original move 1
 - B. Correction as 1. . above
 - C. New grote 1974

 $5.988 t^{(1)}$

I have the honour to confirm the agreement of the Norwegian Authorities on the foregoing.

Please accept, Sir, the assurance of my highest consideration.

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For the Kingdom of Norway

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Letter No 1

Sir,

According to Protocol No 1 to the Free Trade Agreement between the European Economic Community and the Kingdom of Sweden signed in Brussels on 22 July 1972, the United Kingdo has since January 1974 opened tariff quotas for uncoated paperboard (48.0?) as well as for coated paperboard (48.07). The permissible maxima for these quotas were fixed on the basis of statistics available for the period 1968-71.

In the reference period for the setting of the quotas (1968-71), Swedish exporters classified their exports of low-coated board to the United Kingdom as uncoated board. It we therefore imported under United Kingdom tariff heading 48.01. Thus the import statistics for uncoated board (48.01) were too high and those for coated board (48.07) too low.

When this error was discovered, the United Kingdom customs authorities required low coated board to be entered under tariff heading 48.07. This changed classification, which in fact is a rectification, requires an analoguous rectification of the statistics of the reference period and therefore of the duty-free quotas set out in Annex A to Protocol No 1.

As the original quotas were established by increasing the average yearly trade figure for the period 1968-71 by four times 5 % cumulative, the classification error should also be increased by four times 5 % and the amount be deducted from the 1974 quota for uncoased board and added to the quota for coated board in Annex A to Protocol No 1. The result would be the following:

I. 48.01 ex F other board

	A. Original quota 19.4		37.678 t
	B. Claudification error	3.461 t	
	C. 4 x 5 % of B.	<u>746 t</u>	
	D. Nontification	4.207 t	-1.207 t
	E. New quota 1974		33.471 t
II.	48.07 C others than prin- ting and writing paper		
- 1	A. Original quota 1974		34.998 t
	A. Original quota 1974B. Correction as I.D. above		34.998 t +4.207 t

His Excellency

I should be grateful if you could confirm the agreement of the Swedish Authorities with the proposed amendments to Annex A to Protocol No 1 to the Free Trade Agreement.

Please accept, Sir, the assurance of my highest consideration.

On behalf of the Council of the European Communities

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I have the honour to acknowledge receipt of your letter of today in which you informed me as follows:

"According to Protocol No to the Free Trade Agreement between the European Economic Community and the Kingdom of Sweden signed in Brussels on 22 July 1972, the United Kingdom is since January 1974 opened tariff quotas for uncontrol paperhoard (AB, OI) as well as for control paperboard (AB. O7). The permissible maxima for these quotas were fixed on the basis of statistics available for the period 1968-71.

In the reference period for the setting of the quotas (1968-71), Swedish exporters classified their emports of low-coated board to the United Kingdom as uncoated board. It was therefore imported under United Kingdom tariff heading 48.01. Thus the import statistics for uncoated board (48.01) were too high and those for coated board (48.07) too low.

When this error was discovered, the United Kingdom customs authorities required low coated board to be entered under tariff heading 48.07. This changed classification, which in fact is a rectification, requires an analoguous rectification of the statistics of the coverence period and therefore of the duty-free quotas set out in Annex A to Free col No 1.

As the original quotas we established by increasing the average yearly trade figure for the period 1965-71 by four times 5% cumulative, the classification error should also be increased by four times 5% and the amount be deducted from the 1974 quota for uncease board and added to the quota for coated board in Annex A to Protocol No 1 the result would be the following:

I. 48.01 ex F other board

	A. Original quota 1974	37.678 t
	B. Classification error 3.461 t	
	C. $4 \ge 5 \%$ of B. <u>746 t</u>	an di seria da seria. Na seria da seria di
· ·	D. Rectification 4.207 t	-4.207 t
	E. New quota 1974	<u>33.471 t</u>
II.	48.07 C others than properting and writing paper	
	A. Original dota 1970	34.998 t
	B. Correction as I. D. above	+4.207 t
	C. New quote 1974	39.205 t"

I have the honour to confirm the agreement of the Swedish Authorities on the foregoing.

Please accept, Sir the assurance of my highest consideration.

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For the Kingdom of Sweden

