

COMMISSION OF THE EUROPEAN COMMUNITIES

COM(79) 777 final

Brussels, 10 January 1980

* 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

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

The President

Directive for negotiation from the Council to the Commission

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 analogous 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 quotas were established by increasing the average yearly trade figure for the period 1968-71 by four times 5 % cumulative. Thus the classification error should 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 Annex A to Protocol No. 1. The results would be the following :

I. <u>48.01 ex F other board</u>	<u>Finland</u>	<u>Norway</u>	<u>Sweden</u>
A. Original quota 1974	45.352 t	10.903 t	37.678 t
B. Classification error	5.716 t	6.536 t	3.461 t
C. 4 x 5 % of B.	<u>2.232 t</u>	<u>1.409 t</u>	<u>746 t</u>
D. Rectification	.948 t <u>-6.948 t</u>	7.945 t <u>-7.945 t</u>	4.207 t <u>-4.207 t</u>
E. New quota 1974	<u>38.404 t</u>	<u>2.958 t</u>	<u>33.471 t</u>
II. <u>48.07 C others than printing and writing paper</u>			
A. Original quota 1974	47.001 t	5.988 t (1)	34.998 t
B. Correction as I. D. above	<u>+5.948 t</u>	<u>+7.945 t</u>	<u>+4.207 t</u>
C. New quota 1974	<u>53.949 t</u>	<u>13.933 t (1)</u>	<u>39.205 t</u>

(1) Including printing and writing paper

Explanatory Memorandum

1. The United Kingdom has requested 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 analogous 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. Duchateau 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 OF 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 Republic of Finland, the European Economic Community and the Kingdom of Norway and 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,

Whereas the Agreements between 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 October 1973, 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 of Letters negotiated to this effect approved,

HAS ADOPTED THIS REGULATION:

Article 1

The 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 Republic of Finland, the European Economic 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 Agreements 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

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

Letter No 1

Sir,

According to Protocol No 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 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 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 analogous 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 uncoated 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		45.353 t
B. Classification error	5.716 t	
C. 4 x 5 % of B.	<u>1.232 t</u>	
D. Rectification	6.948 t	<u>-6.948 t</u>
E. New quota 1974		<u><u>38.404 t</u></u>

II. 48.07 C others than printing and writing paper

A. Original quota 1974		47.001 t
B. Correction as I.		<u>+6.948 t</u>
C. New quota 1974		<u><u>53.949 t</u></u>

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 acknowledge receipt of your letter of today in which you informed me as follows:

"According to Protocol No 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 has 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 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 reported 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 covered under tariff heading 48.07. This changed classification, which in fact is a rectification, requires an analogous 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 uncoated board and added to the quota for coated board in Annex A to Protocol No 1. The result would be the following:

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II. 48.07 C others than printing and writing paper

A. Original quota 1974		47.001 t
B. Correction as I. D. above		<u>+6.948 t</u>
C. New quota 1974		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

Letter No 1

Sir,

According to Protocol No 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 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 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 analogous 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 uncoated board and added to the quota for coated board in Annex A to Protocol No 1. The result would be the following:

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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		<u><u>2.958 t</u></u>

II. 48.07 C others than printing and writing paper

A. Original quota 1974		5.988 t ⁽¹⁾
B. Correction as I. D. above		<u>+7.945 t</u>
C. New quota 1974		<u><u>13.933 t</u></u> ⁽¹⁾

(1) including printing and writing 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.

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 acknowledge receipt of your letter of today in which you informed me as follows:

"According to Protocol No 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 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 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 analogous 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 uncoated board and added to the quota for coated board in Annex A to Protocol No 1. The result would be the following:

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E. New quota 1974		<u><u>2.958 t</u></u>

II. 48.07 C others than printing and writing paper

A. Original quota 1974		5.988 t (1)
B. Correction as I. A. above		<u>+7.945 t</u>
C. New quota 1974		<u><u>13.933 t</u></u> (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.

For the Kingdom of Norway

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 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), Swedish 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 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 analogous 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 uncoated 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 x 5 % of B.	<u>746 t</u>	
D. Rectification	4.207 t	<u>-4.207 t</u>
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II. 48.07 C others than printing and writing paper

A. Original quota 1974		34.998 t
B. Correction as I.D. above		<u>+4.207 t</u>
C. New quota 1974		<u><u>39.205 t</u></u>

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

Letter No 2

Sir,

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

"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 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), Swedish 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 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 analogous 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 uncoated board and added to the quota for coated board in Annex A to Protocol No 1. The result would be the following:

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

Please accept, Sir the assurance of my highest consideration.

For the Kingdom of Sweden

