

COMMISSION OF THE EUROPEAN COMMUNITIES

COM(75) 331 final

Brussels, 3 July 1975

DRAFT

REGULATION (CEE) OF THE COUNCIL

on the opening, allocation and administration of a Community tariff quota
for unwrought lead other than bullion lead, falling within
subheading No 78.01 A II of the
Common Customs Tariff

DRAFT

REGULATION (CEE) 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

(submitted to the Council by the Commission)

1000

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 specific duty of 1.32 u.a./100 kg into an ad valorem duty of 4.5% ;
- (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;

- (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.

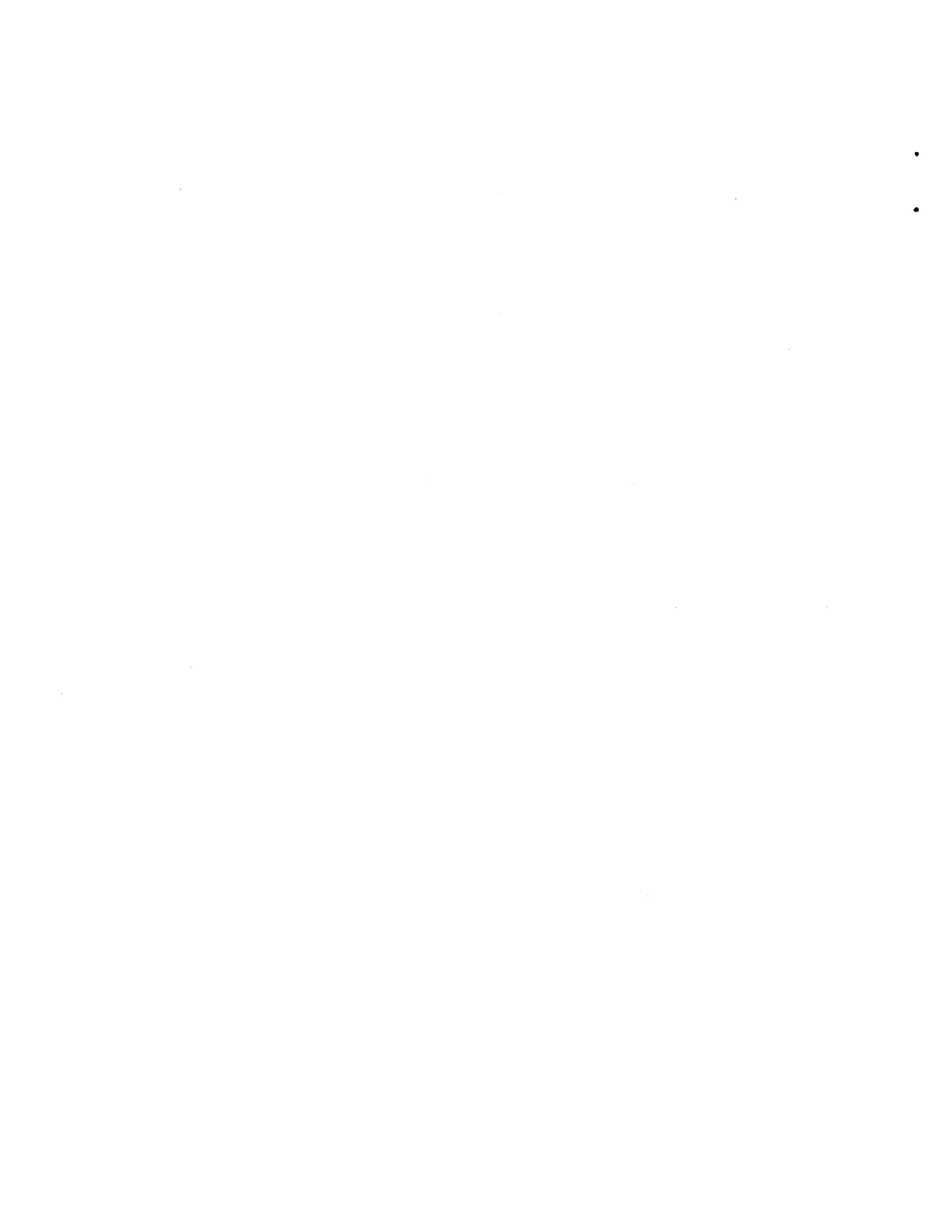
2. At the GATT multilateral negotiations during 1974, it was decided to reduce to 0 % the common customs tariff duty applicable to bullion lead. The basic duties at 1 January 1972 applicable in the new Member States to the product in question were at a rate of 0 %, the progressive alignment to be carried out in application of Article 39 of the Act of Accession leads automatically to a nil duty in these Member States in 1976.

The opening of a tariff quota with suspension of duty is no longer applicable from 1 January 1976. The proposals for Regulations annexed hereto thus refer only to two products viz : unwrought lead other than bullion lead, and unwrought zinc.

./..

3. The Commission notes that, although the Community nature of the quotas opened was insufficiently marked, the system adopted for the years 1971 to 1975 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 1976, 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 a
Community tariff quota for unwrought lead other
than bullion lead, falling within subheading No 78.01
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 14¹ 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 the total suspension for an indefinite period of the common customs tariff duties, from 1 January 1976 for unwrought lead, makes the opening of a quota tariff unnecessary for this product; whereas it is thus necessary to open, on 1 January 1976, a Community tariff quota laid down for unwrought lead other than bullion lead, of which the volume for 1976 is 27 000 tonnes;

Whereas, in view of the fact that interpenetration between the market in in unwrought lead other than bullion lead is slight and that full statistics relating to this quality 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 27 000 metric tons

 takes account of the need to preserve a certain balance among the various products which could be charged against the tariff quota 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 27 000 metric tons;

Whereas, in order to make greater allowance for changes in import trends in respect of the product in question, the quota 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

25 500 metric tons,

 the remainder constituting the reserve; whereas, having regard to estimates taking account of market trends in these products, the first tranches may be allocated as follows:

ANNEX A

	metric tons
	<u>unwrought lead, other</u> <u>than bullion lead</u>
Benelux	12 100
Denmark	271
Germany	4 529
France	112
Ireland	57
Italy	4 529
United Kingdom	3 902;

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 its initial share 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 share remains unused it is essential, to prevent a part of 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;

~~7~~

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 1976 a Community tariff quota of 27 000 tonnes in respect of unwrought lead other than bullion lead falling within the heading 78.01 A II of the Common Customs Tariff.

2. Where the product in question are already imported duty-free under other preferential tariff arrangements, such imports shall not be counted against this 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 this quota, duties calculated in accordance with the relevant provisions of the Act of Accession.

Article 2

1. The first tranche of 25 500 tonnes of this Community tariff quota shall be allocated among the Member States. The shares, which subject to Article 5 shall be valid from 1 January to 31 December 1976, shall be allocated as follows:

Benelux	12 100 metric tons
Denmark	271 metric tons
Germany	4 529 metric tons
France	112 metric tons
Ireland	57 metric tons
Italy	4 529 metric tons
United Kingdom	3 902 metric tons

2. The second tranche of a quantity of 1 500 tonnes shall constitute 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.
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 1976.

Article 5

Member States shall, not later than 1 October 1976, return to the reserve the unused part of its initial share which on 15 September 1976 is in excess of 20 % of the initial amount. They 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 1 October 1976, notify the Commission of the total quantities of the products in question imported up to and including 15 September 1976 and charged against the Community quota and of any portion of their initial share returned to the reserve.

Article 6

Member States may restrict the product in question 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 5 October 1976, inform the Member States of the amount still in reserve following any return of share 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.

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. 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 , when requested by the Commission, notify 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 1976.

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

Done at Brussels,

For the Council
The President

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 15¹ 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 10 000 metric tons for 1976; whereas the Protocol also provides that the new Member States are to share in the

¹Of No L 73, 27 March 1972, p. 172.

ANNEX B

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 1976;

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 10 000 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 10 000 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 9 000 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	25.5
Denmark	2.15
Germany	41.15
France	1.28
Ireland	1.42
Italy	10.28
United Kingdom	18.22;

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 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 1976, in respect of unwrought zinc falling within subheading No 79.01A of the Common Customs Tariff, a Community tariff quota of 10 000 metric tons.
2. Where the product in question is already imported duty free under other preferential tariff arrangements, such imports shall not be counted against 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.

Article 2

1. A first tranche of 9 000 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:

Bonelux	2 295	metric tons
Denmark	194	metric tons
Germany	3 703	metric tons
France	115	metric tons
Ireland	128	metric tons
Italy	925	metric tons
United Kingdom	1 640	metric tons.

2. The second tranche, of 1 000 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.

ANNEX B

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 1976.

Article 5

Member States shall, not later than 1 October 1976, return to the reserve the unused part of its initial share which on 5 September 1976 is in excess of 20 % of the initial account. They 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 1 October 1976, notify the Commission of the total quantities of the product in question imported up to and including 15 September 1976 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.

ANNEX B

It shall, not later than 5 October 1976, 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, when requested by the Commission, notify 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.

Article 11

This Regulation shall enter into force on 1 January 1976.

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

Done at Brussels,

For the Council
The President

