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Proposal for a

REGULATION (EEC) OF THE COUNCIL

on the opening, allocation and administration of a Community  
tariff quota for frozen beef and veal falling within sub-  
heading No 02,01 A II a) 2 of the Common Customs Tariff (1977)

(submitted to the Council by the Commission)

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EXPLANATORY MEMORANDUM

1. During the multilateral GATT negotiations the European Economic Community undertook to open an annual Community tariff quota of 38 500 metric tons of frozen beef and veal, expressed as boneless meat, falling within subheading No 02.01 A II a) 2 of the Common Customs Tariff at 20% duty. Countervailing charges introduced in connection with fluctuations in exchange rates are to be levied on 16 500 metric tons of this quota.

2. Consequently, to meet the Community's obligations, a regulation should be adopted before 1 January 1977 on the opening, allocation and administration of the Community tariff quota in question.

In this connection, it should be mentioned that, as a result of the decision to apply the system of monetary compensatory amounts to a volume of 16 500 metric tons, the Commission has been obliged in its proposal to split the total quota volume of 38 500 metric tons into two parts, one of 22 000 metric tons and the other of 16 500 metric tons, to be allocated separately among all the Member States in the usual way.

3. Imports of frozen beef and veal from third countries, expressed in metric tons of boneless meat, were as follows over the last few years:

	1972		1973		1974		1975	
	in mt	%	in mt	%	in mt	%	in mt	%
Benelux	57,565	13,28	51,497	12,21	10,900	8,34	5,853	9,65
Denmark	0	0	573	0,14	452	0,35	468	0,77
Germany	102,735	23,71	92,734	21,98	22,208	17	9,319	15,36
France	45,645	10,53	34,908	8,28	13,363	10,23	4,035	6,65
Ireland	0	0	0	0	0	0	0	0
Italy	73,962	17,07	83,706	19,84	39,780	30,45	15,234	25,11
United Kingdom	153,437	35,41	158,368	37,55	43,922	33,63	25,762	42,46
	433,344		421,785		130,625		60,671	

Consequently, the shares of Member States, calculated on the basis of imports for the years 1973 to 1975, may be allocated more or less as follows which corresponds closely to the percentages kept by the Council for 1976:

Benelux	11,81
Denmark	0,65
Germany	20
France	7,28
Ireland	0,01
Italy	28,70
United Kingdom	31,55

4. In view of the relatively high level of the Community tariff quota opened to begin with in relation to import requirements, the Commission believes that it would go against the Community nature of the quota to allocate the tariff volumes in definitive shares to the Member States.

For this reason, the proposal annexed hereto provides for the creation of Community reserves which, even if they amount to 10% of each of the quota volumes, will assist in ensuring equal access for all importers and in avoiding a situation in which customs preference was no longer applied in one or more Member States while it was still applied in others.

Proposal for a

REGULATION (EEC) OF THE COUNCIL

on the opening, allocation and administration of a  
Community tariff quota for frozen beef and veal  
falling within subheading No 02.01 A II a) 2 of the  
Common Customs Tariff (1977)

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community,  
and in particular Articles 113 and 43 thereof ;

Having regard to the proposal from the Commission ;

Having regard to the Opinion of the European Parliament ;

Whereas in the course of the multilateral GATT negotiations the  
European Economic Community undertook to open an annual Community tariff  
quota at 20% duty in respect of 38.500 metric tons of frozen beef and veal,  
expressed as boned meat, falling within Tariff subheading No 02.01 A II a) 2;

whereas the Community tariff quota in question must there-  
fore be opened on 1 January 1977 by dividing the total quota volume of  
38.500 metric tons into two parts according to the tariff arrangements  
applicable to each ;

Whereas Articles 59 and 60 of the Act annexed to the Treaty<sup>(1)</sup> concerning  
the accession of new Member States to the European Economic Community and  
to the European Atomic Energy Community, signed on 22 January 1972, require  
the new Member States to apply the regulations of the common agricultural  
policy from 1 February 1973, and to align their customs

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(1) OJ No L 73, 27 March 1972,

tariff duties on those of the Common Customs Tariff in the manner provided in the said Article 59;

whereas the quota duties to be applied by the new Member States must conform to the Act aforesaid;

Whereas equal and continuous access to the quota should be ensured for all Community importers and the rate of duty for the tariff quota should be applied consistently in all Member States to all imports of the product in question until the quota is exhausted; whereas, in the light of these principles, arrangements for the utilization of the Community tariff quota based on an allocation among the Member States would seem to be consistent with the Community nature of the quota; whereas, in order that it may correspond as closely as possible to the actual trend of the market in the product in question, allocation of the quota should be in proportion to the requirements of the Member States as calculated by reference to statistics of imports from third countries during a representative reference period and to the economic outlook for the quota year in question;

Whereas imports of the product in question from third countries by Member States during the last three years for which complete statistics are available were as follows:

	1973		1974		1975	
	in mt	%	in mt	%	in mt	%
Benelux	51,191	12.21	10,900	8.34	5,853	9.65
Denmark	578	0.14	452	0.35	468	0.77
Germany	92,734	21.98	22,208	17	9,319	15.36
France	34,908	8.28	13,363	10.23	4,035	6.65
Ireland	-	-	0	0	0	0
Italy	83,706	19.84	39,780	30.45	15,234	25.11
United Kingdom	158,368	37.55	43,922	33.53	25,762	42.46
	421,785		130,625		60,671	

Whereas the above table shows that Ireland made no imports of the product in question during the three reference years; whereas provision must however be made to cover any import needs which may arise in that Member State by allocating it a suitable initial share of the quota volumes concerned;

Whereas, in view of the foregoing and of the foreseeable trend of the market in the product concerned during the quota year in question, the initial percentage shares of Member States may be allocated approximately as follows:

Benelux	11,81
Denmark	0,65
Germany	20
France	7,28
Ireland	0,01
Italy	28,70
United Kingdom	31,55

Whereas, to take account of future trends of imports into the various Member States of the product under consideration, the quotas should be divided into two tranches, the first being allocated among the Member States and the second held as a reserve to cover subsequently the requirements of Member States, should they exhaust their initial shares; whereas, to give importers in each Member State some degree of certainty, the first tranche of the Community quota should be fixed at approximately 90% of its full amount;

Whereas, to take account of future trends of imports into the various Member States of the product under consideration, the two parts of the quota should each be divided into two tranches, the first being allocated among the Member States and the second held as a reserve to cover the subsequent requirements of Member States should they exhaust their initial shares; whereas, to give importers in each Member State some degree of certainty, the first tranche of each part of the quota should be fixed at a specified level, that level being in this case some 90% of the respective full amounts;

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 one of its initial shares should draw an additional share from the



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appropriate 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 quotas have 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 tariff 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 appropriate reserve;

Whereas, pursuant to Article 2 (4) of Commission Regulation (EEC) No 193/75 (1) of 17 January 1975 laying down common detailed rules for the application of the system of import and export licences and advance fixing certificates for agricultural products, import licences authorize the importation of a quantity exceeding by 5 % the quantity indicated therein; whereas, however, the levy provided for in Article 13 of Council Regulation (EEC) No 805/68 (2) of 27 June 1968 on the common organization of the market in beef and veal, as last amended by Regulation (EEC) No 1855/74 (3), should be applied to any quantity exceeding that indicated in the licence;

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 share allocated to that Economic Union may be carried out by any one of its members;

HAS ADOPTED THIS REGULATION:

Article 1

1. There is hereby opened in respect of the period 1 January to 31 December 1977 a Community tariff quota of 38,500 metric tons of frozen beef and veal, expressed as boned meat, falling within subheading No 02.01 A II a) 2 of the Common Customs Tariff.

For the purpose of charging imports against this quota, 100 kilogrammes of unboned meat shall be taken to be equivalent to 77 kilogrammes of boned meat.

2. Imports of these goods which have been admitted under the benefit of another preferential tariff regime shall not be set off against this tariff quota.

3. As regards the quotas allocated to the original Member States, the Common Customs Tariff duty applicable shall be 20 %.

As regards the quota allocated to the new Member States, the duties shall be those calculated in accordance with the relevant provisions of the Act of Accession.

4. Imports of the products concerned shall be subject to the provisions adopted under Regulation (EEC) No 974/71 (1), as last amended by Regulation (EEC) No 475/75 (2), as regards the fluctuation of the currencies of certain Member States.

5. For the purpose of applying this Regulation, the levy fixed in accordance with Article 13 of Regulation (EEC) No 805/68 shall, as regards imports effected under the conditions laid down in Article 2 (4) of Regulation (EEC) No 193/75, be applied to any quantities exceeding those indicated in the import licence.

(1) OJ No L 106 of 12.5.1971, p. 1.  
(2) OJ No L 52 of 28.2.1975, p. 28.

Article 2

1. The quantity of 38.500 metric tons as specified in Article 1 shall be divided into two parts, one of 22.000 metric tons, the other of 16.500 metric tons. Each one of those parts shall be subdivided into two tranches.
2. The first tranche of 20 000 metric tons and 15 000 metric tons respectively shall be allocated as follows among the Member States, the shares being, subject as provided in Article 5, valid from 1 January until 31 December 1977;

	<u>From the part equal to 22 000 metric tons</u>	<u>From the part equal to 16 500 metric tons</u>
Benelux	2 362 metric tons	1 772 metric tons
Denmark	130 metric tons	98 metric tons
Germany	4 000 metric tons	3 000 metric tons
France	1 456 metric tons	1 092 metric tons
Ireland	2 metric tons	1 metric ton
Italy	5 740 metric tons	4 305 metric tons
United Kingdom	<u>6 310 metric tons</u>	<u>4 732 metric tons</u>
	20 000 metric tons	15 000 metric tons

3. The second tranches of 2 000 and 1 500 metric tons respectively shall constitute the 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(2), or of that share minus any portion returned to the appropriate reserve pursuant to the provisions of Article 5, it shall forthwith by notifying the Commission, draw a second share, to the extent that the appropriate reserve so permits, equal to 10% of its initial share.

2. As soon as a Member State, having exhausted 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.

3. As soon as a Member State, having exhausted 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 as aforesaid, 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 to 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 the provisions of this paragraph shall inform the Commission of its grounds for so doing.

Article 4

Each of the additional shares drawn pursuant to the provisions of Article 3 shall be valid until 31 December 1977

Article 5

The Member States shall return to the reserve, not later than 1 October 1977, the unused portion of their initial share which, on 15 September 1977, 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 1977, notify the Commission of the total quantities of the product in question imported up to and including 15 September 1977 and charged against the Community quota and of any portion of their initial shares returned to the appropriate reserve.

Article 6

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

It shall, not later than 5 October 1977, inform the Member States of the amounts still in reserve following any return of shares pursuant to Article 5.

It shall ensure that when an amount exhausting a 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 7

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 shares of the Community quota.

2. It 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 shares shall be determined by reference to the importation of the product in question entered with the customs authorities for home use.

Article 8

On receipt of a request from the Commission, the Member States shall notify it of the importations charged against its shares.

Article 9

The 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 1977.

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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