

# COMMISSION OF THE EUROPEAN COMMUNITIES

COM(82) 408 final

Brussels, 24 June 1982

Proposal for a  
COUNCIL REGULATION (EEC)

opening, allocating and providing for the administration of an autonomous Community tariff quota for ferro-chromium containing not less than 6% by weight of carbon, falling under subheading ex 73.02 E I of the Common Customs Tariff

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(submitted to the Council by the Commission)

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1. Following the discussions which took place during the Industry Council meeting on 8 June 1982 the Commission Services have been encouraged to renew their efforts to find a satisfactory solution to the problem of disposing of Community production of high carbon ferro-chrome. In the event of a successful outcome it is intended to submit to the Council a draft regulation opening a duty-free quota covering imports requirements from third countries for the second half of 1982. The draft should be adopted as an "A" point by the Industry Council at the end of June 1982.
2. Pending the outcome of negotiations to ensure the disposal of Community production of this product, the annexed draft regulation should provide a basis which will enable the timely adoption of the decision to be taken by the Council.

Evidently, this draft will have to be withdrawn if

it becomes apparent that the necessary assurances cannot be obtained.

3. The volume of the tariff quota proposed for the second half of 1982 corresponds to import requirements from third countries, based on the available data relating to consumption, production and the possibility of duty-free supply under other preferential tariff regimes. The need to avoid prejudging the tariff regime for 1983 has been taken into account.

On the basis of this information the Commission proposes to fix the volume of this quota at a provisional level of 100,000 tonnes and to review the position, if necessary, during the course of the exercise if it appears that this amount is clearly insufficient.

This amount of 100,000 tonnes will be

reserved for ferro-chrome containing 6% or more of carbon. It will be

subdivided into 2 tranches. The first tranche will be allocated among the Member States pro rata to their forecast requirements, and the second tranche will constitute a Community reserve.

Proposal for a  
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opening, allocating and administering a Community tariff quota for ferro-chromium containing not less than 6% by weight of carbon, falling within subheading ex 73.02 E I 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 for ferro-chromium containing not less than 6% by weight of carbon, Community production is, to a variable degree, inadequate and producers are unable to meet the total requirements of consumer industries; whereas it is therefore in the Community's interest to suspend totally in respect of this metal the application of the Common Customs Tariff duty for a period running from 1 July to 31 December 1982, within a suitable tariff quota; whereas, in order to avoid disturbing the equilibrium of the market for this ferro-alloy and to ensure parallel development in sales of Community production and in supplies to meet the requirements of consumer industries, it is appropriate to fix the quota volume at the provisional level of 10 000 tonnes, covering immediate import needs from third countries; whereas the fixing of this amount, based on conservative estimates, does not preclude future adjustment in line with changes in the situation; whereas, moreover, Member States should be free to authorize charges to be made against this volume only subject to certain conditions relating to use;

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 to all imports until the quota is exhausted; whereas, in the light of these principles, arrangements for the utilization of the tariff quota based on an allocation among Member States would seem to be consistent with the Community nature of the quota; whereas, to correspond as closely as possible to the actual trend in 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 period in question;

Whereas, however, since the quota is an autonomous Community tariff quota intended to cover import needs arising in the Community, it may,

be allocated on the basis of the temporary import needs from third countries expressed by each of the Member States; whereas this system of allocation also ensures the uniform application of the Common Customs Tariff;

Whereas, to take account of future import trends for the product concerned, the quota should be divided into two instalments, the first being allocated among the Member States and the second held as a reserve to cover subsequently the requirements of Member States which have exhausted their initial shares and any additional requirements which might arise in the other Member States; whereas, to give importers of the Member States some degree of certainty, the first instalment of the tariff quota should be fixed at a relatively high level which could be 90000 tonnes;

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 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 that such State should return a significant proportion thereof to the reserve, in order to prevent a part of a quota from remaining unused in one Member State while 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*

1. From 1 July to 31 December 1982 a tariff quota of 10000 tonnes shall be opened within the Community in respect of ferro-chromium containing not less than 6% by weight of carbon falling within subheading ex 73.02 E I of the Common Customs Tariff.

2. Imports of the products in question, which already benefit from exemption from customs duties under another preferential tariff system, are not to be charged against this tariff quota.

3. Within this quota, the customs tariff duty shall be totally suspended. Within the context of this quota Greece shall apply customs duties calculated in accordance with the relevant provisions laid down in the 1979 Act of Accession.

*Article 2*

1. A first instalment of 90000 tonnes of this Community tariff quota shall be allocated among the Member States; the shares, which subject to Article 5, shall be valid until 31 December 1982, shall be as follows:

Benelux	5 724	tonnes
Denmark	18	tonnes
Germany	35 802	tonnes
Greece	18	tonnes
France	21 888	tonnes
Ireland	18	tonnes
Italy	15 201	tonnes
United Kingdom	11 331	tonnes.

2. The second instalment of 10 000 tonnes shall constitute the reserve.

*Article 3*

1. As soon as one of the Member States referred to in Article 2 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 one of the Member States, 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.

3. As soon as one of the Member States, after exhausting its second share, has used 90% or more of the third share drawn by it, that Member State shall forthwith and on the same conditions draw a fourth share equal to the third.

This process shall continue until the reserve is exhausted.

4. Notwithstanding 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 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 1982.

*Article 5*

The Member States shall not later than 1 November 1982 return to the reserve the unused portion of their initial share which on 15 October 1982 exceeds 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.

Not later than 1 November 1982 the Member States shall notify the Commission of the total quantities of the products in question imported up to and including 15 October 1982 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 product in question which may be charged against their quota shares to products 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.

Not later than 5 November 1982 it shall 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 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. The Member States shall take all appropriate measures to ensure that additional shares drawn pursuant to Article 3 are opened in such a way that imports may be charged without interruption against their accumulated share of the tariff quota.
2. The Member States shall ensure that importers of the product in question established in their territories have free access to the shares allocated to them.
3. The extent to which the Member States have used up their shares shall be determined on the basis of imports of the product in question entered with the customs authorities for free circulation.

*Article 9*

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

*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 1982.

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

Done at ..... 1982.

*For the Council*  
*The President*