

## COMMISSION OF THE EUROPEAN COMMUNITIES

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### 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

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### 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

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(submitted to the Council by the Commission)

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COM(76) 335 final.



### 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;

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- (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.

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3. The Commission notes that,

the system adopted for the years 1971 to 1976 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 1977, 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.

**Proposal for a**  
**REGULATION (EEC) No .../76 OF THE COUNCIL**  
**of .....**

**on the opening, allocation and administration of a Community tariff quota for unwrought lead other than bullion lead, falling within subheading 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, under Protocol No 14 to the Act of Accession<sup>(1)</sup>, the Community is required to open each year, until the entry into force of a total suspension of the customs duty for an indefinite period, a tariff quota for bullion lead (unwrought lead for refining, containing 0.02% or more by weight of silver) falling within subheading 78.01 A I; whereas this suspension from 1 January 1976 makes the opening of a tariff quota unnecessary for 1977;

Whereas, in accordance with the same Protocol, the Community is also required to open each year a nil duty Community tariff quota for lead other than bullion lead falling within subheading 78.01 A II, the amount of the quota to decrease annually from 1 January 1975 by an amount fixed for 1974 at 55 000 metric tons to arrive at zero in 1978; whereas the Protocol also provides that the new Member States are to share in those tariff quotas from 1 January 1974; whereas the duties to be applied by the new Member States within those tariff quotas must comply with the relevant provisions of the Act of Accession; whereas the Community tariff quota laid down for this product, the amount of which is 13 000 metric tons for 1977, should therefore be opened on 1 January 1977;

Whereas, in view of the minimal interpenetration of the markets in unwrought lead other than bullion lead and of the lack of complete statistics relating to this grade of metal, it does not seem possible to base the allocation of the Community tariff quota

in question on previous data; whereas the figure of 13 000 metric tons takes account of the need to maintain a balance in the amounts chargeable against the tariff quota in order to maintain the protection of the foundry industry; whereas Member States should therefore be at liberty to authorize only imports satisfying certain conditions as to grade and intended use to be charged against that quota;

Whereas, in order to take more precise account of future trends in imports of the product in question, the quota should be divided into two tranches, the first to be allocated among all the Member States and the second to form a reserve intended to cover any subsequent requirements of Member States which have used up their initial shares; whereas, in order to ensure a certain degree of security for importers, the first tranche should be set at 12 300 metric tons, the remainder constituting the reserve; whereas, on the basis of estimates taking account of market trends in this product, the initial shares may be allocated as set out in Article 2;

Whereas Member States may use up their initial shares at different rates; whereas, to provide for this eventuality and to avoid disruption of supplies, any Member State which has almost used up its initial share should draw an additional share from the reserve; whereas this should be done by each Member State when each of its additional shares has been almost used up, 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 Member States and the Commission, which latter must, in particular, be able to keep a record 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 that that Member State should return a significant proportion to the reserve, so as to avoid a part of the quota remaining unused in one Member State when it could be used in others;

<sup>(1)</sup> OJ No L 73, 27. 3. 1972, p. 171.

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. For the period 1 January to 31 December 1977 a Community tariff quota of 13 000 metric tons shall be opened for unwrought lead other than bullion lead, falling within subheading 78.01 A II of the Common Customs Tariff.

2. Imports of the product in question may not be charged against this tariff quota if they are already free of customs duties under other preferential tariff arrangements.

3. Within this tariff quota, the Common Customs Tariff duty shall be totally suspended.

4. The new Member States shall apply duties calculated in accordance with the relevant provisions of the Act of Accession within this quota.

Article 2

1. A first tranche of 12 300 metric tons of this Community tariff quota shall be allocated among the Member States. Member States' shares which, subject to Article 5, shall be valid from 1 January to 31 December 1977, shall be as follows:

	<i>in metric tons</i>
Benelux	9 674
Denmark	53
Germany	888
France	21
Ireland	11
Italy	888
United Kingdom	765

2. The second tranche of 700 metric tons shall constitute the reserve.

Article 3

1. If 90% or more of a Member State's initial share, as fixed in Article 2 (1), or of that share minus

any portion returned to the reserve where Article 5 has been applied, has been used up, that Member State 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. If, after its initial share has been used up, 90% or more of the second share drawn by a Member State has been used up, that Member State shall, 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. If, after its second share has been used up, 90% or more of the third share drawn by a Member State has been used up, that Member State shall, in accordance with the same conditions, draw a fourth share equal to the third.

This procedure shall apply until the reserve is used up.

4. By way of derogation from paragraphs 1, 2 and 3, Member States may draw lesser shares than those specified therein if there are grounds for believing that those specified may not be used in full. They shall inform the Commission of their reasons for applying this paragraph.

Article 4

Additional shares drawn pursuant to Article 3 shall be valid until 31 December 1977.

Article 5

Member States shall return to the reserve, not later than 1 October 1977, the unused portions of their initial shares which, on 15 September 1977, are in excess of 20% of the initial amounts. They may return a greater portion if there are grounds for believing that such portion may not be used in full.

Member States shall notify the Commission, not later than 1 October 1977, 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 reserve.

#### *Article 6*

Member States may restrict the product in question which may be charged against their quota shares to lead of certain grades 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, as soon as it has been notified, shall inform each State of the extent to which the reserve has been used up.

It shall inform the Member States, not later than 5 October 1977, of the amount still in reserve after amounts have been returned thereto pursuant to Article 5.

It shall ensure that the drawing which exhausts the reserve 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. 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 aggregate shares of the Community quota.

2. Member States shall ensure that importers of the product in question established in their territory have free access to the shares allocated to them.

3. The extent to which a Member State has used up its share shall be determined on the basis of the imports of the product in question entered with the customs authorities for home use.

#### *Article 9*

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

#### *Article 10*

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 1977.

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

Done at

*For the Council*  
*The President*



**Proposal for a  
REGULATION (EEC) No .../76 OF THE COUNCIL  
of .....**

**on the opening, allocation and administration of a Community tariff quota for unwrought zinc, falling within subheading 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 under Protocol No 15 to the Act of Accession (<sup>(1)</sup>), the Community is required to open each year a nil duty Community tariff quota for unwrought zinc, falling within subheading 79.01 A of the Common Customs Tariff, fixed at 30 000 metric tons for 1971, and decreasing each year, except in 1974, until the quota is abolished on 31 December 1977; whereas the quota calculated on that basis amounts to 5 000 metric tons for 1977; whereas the Protocol also provides that the new Member States shall share in the tariff quota from 1 January 1974; whereas the duties to be applied by these Member States within that tariff quota must comply with the relevant provisions of the Act of Accession; whereas the tariff quota in question should therefore be opened on 1 January 1977;

Whereas, in view of the minimal interpenetration of the markets in unwrought zinc, it does not seem possible to base the allocation of the Community tariff quota for the metal in question on previous data; whereas the figure of 5 000 metric tons takes account of the need not to exceed a reasonable amount, thereby protecting Community production; whereas, to this end, only certain Member States' estimates of their requirements for specific grades of zinc have been taken into account; whereas Member States should therefore be at liberty to authorize only imports satisfying certain conditions as to grade and intended use to be charged against that quota;

Whereas, in order to take more precise account of future trends in imports of the product in question, the quota of 5 000 metric tons should be divided into two tranches, the first to be allocated among

the Member States and the second to form a reserve intended to cover any subsequent requirements of Member States which have used up their initial shares; whereas, in order to ensure a certain degree of security for importers, the first tranche should be set at 4 500 metric tons the remainder constituting the reserve; whereas, on the basis of estimates taking account of market trends in unwrought zinc, the first tranche may be allocated approximately according to the following percentages:

Benelux	25.50
Denmark	2.15
Germany	41.15
France	1.28
Ireland	1.42
Italy	10.28
United Kingdom	18.22;

Whereas Member States may use up their initial shares at different rates; whereas, to provide for this eventuality and to avoid disruption of supplies, any Member State which has almost used up its initial share should draw an additional share from the reserve; whereas this should be done by each Member State when each of its additional shares has been almost used up, 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 Member States and the Commission, which latter must, in particular, be able to keep a record 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 that that Member State should return a significant proportion to the reserve, so as to avoid a part of the Community quota remaining unused in one Member State when 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

(<sup>(1)</sup>) OJ No L 73, 27. 3. 1972, p. 172.

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. During the period 1 January to 31 December 1977, a Community tariff quota of 5 000 metric tons shall be opened in the Community for unwrought zinc falling within subheading 79.01 A of the Common Customs Tariff.

2. Imports of the product in question may not be charged against this tariff quota if they are already free of customs duties under other preferential tariff arrangements.

3. Within this tariff quota, the Common Customs Tariff duty shall be totally suspended.

4. Within this quota, the new Member States shall apply duties calculated in accordance with the relevant provisions of the Act of Accession.

## Article 2

1. A first tranche of 4500 metric tons of the quota referred to in Article 1 shall be allocated among the Member States. Member States' shares which, subject to Article 5, shall be valid from 1 January to 31 December 1977, shall be as follows:

	<i>in metric tons</i>
Benelux	1 147
Denmark	97
Germany	1 852
France	57
Ireland	64
Italy	463
United Kingdom	820

2. The second tranche of 500 metric tons shall constitute the reserve.

## Article 3

1. If 90% or more of a Member State's initial share as fixed in Article 2 (1), or of that share minus any portion returned to the reserve where

Article 5 has been applied, has been used up, that Member State 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. If, after its initial share has been used up, 90% or more of the second share drawn by a Member State has been used up, 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. If, after its second share has been used up, 90% or more of the third share drawn by a Member State has been used up, that Member State shall forthwith, in accordance with the same conditions, draw a fourth share equal to the third.

This procedure shall apply until the reserve is exhausted.

4. By way of derogation from paragraphs 1, 2 and 3, Member States may draw lesser shares than those specified therein if there are grounds for believing that those specified may not be used in full. They shall inform the Commission of their reasons for applying this paragraph.

## Article 4

Additional shares drawn pursuant to Article 3 shall be valid until 31 December 1977.

## Article 5

Member States shall return to the reserve, not later than 1 October 1977, the unused portions of their initial shares which, on 15 September 1977, are in excess of 20% of the initial amounts. They may return a greater portion if there are grounds for believing that such portion may not be used in full.

Member States shall notify the Commission, not later than 1 October 1977, of the total quantities of the product in question imported up to and including 15 September 1977 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 unwrought zinc of certain grades or 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, as soon as it has been notified, shall inform each State of the extent to which the reserve has been used up.

It shall inform the Member States, not later than 5 October 1977, of the amount still in reserve after amounts have been returned thereto pursuant to Article 5.

It shall ensure that the drawing which exhausts the reserve 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. 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 aggregate shares of the Community quota.

2. Member States shall ensure that importers of the product in question established in their territory have free access to the shares allocated to them.

3. The extent to which a Member State has used up its share shall be determined on the basis of the imports of the product in question entered with the customs authorities for home use.

#### *Article 9*

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

#### *Article 10*

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 1977.

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

Done at

*For the Council*

*The President*

