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In accordance with Council Regulation (EEC, Euratom) No 354/83 of 1 February 1983 concerning the opening to the public of the historical archives of the European Economic Community and the European Atomic Energy Community (OJ L 43, 15.2.1983, p. 1), as amended by Regulation (EC, Euratom) No 1700/2003 of 22 September 2003 (OJ L 243, 27.9.2003, p. 1), this file is open to the public. Where necessary, classified documents in this file have been declassified in conformity with Article 5 of the aforementioned regulation.

In Übereinstimmung mit der Verordnung (EWG, Euratom) Nr. 354/83 des Rates vom 1. Februar 1983 über die Freigabe der historischen Archive der Europäischen Wirtschaftsgemeinschaft und der Europäischen Atomgemeinschaft (ABl. L 43 vom 15.2.1983, S. 1), geändert durch die Verordnung (EG, Euratom) Nr. 1700/2003 vom 22. September 2003 (ABl. L 243 vom 27.9.2003, S. 1), ist diese Datei der Öffentlichkeit zugänglich. Soweit erforderlich, wurden die Verschlussachen in dieser Datei in Übereinstimmung mit Artikel 5 der genannten Verordnung freigegeben.

COMMISSION OF THE EUROPEAN COMMUNITIES

COM(78) 191 final

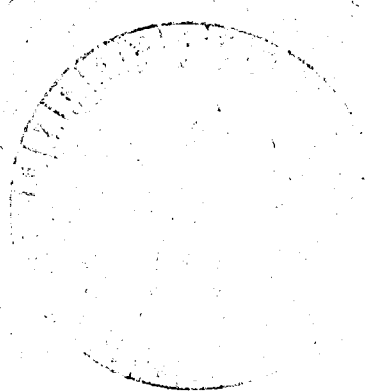
Brussels, 16 May 1978

Proposal for a
COUNCIL REGULATION (EEC)

on the opening, allocation and administration of a Community tariff quota for rum, arrack and tafia falling within subheading 22.09 C I of the Common Customs Tariff and originating in the overseas countries and territories associated with the European Economic Communities (1978/79)

(submitted by the Commission to the Council)

COM(78) 191 final



EXPLANATORY MEMORANDUM

1. Decision No 76/198/EEC of the Council dated 9.2.1976 provides that rum, arrack and tafia falling within subheading 22.09 C I of the Common Customs Tariff and originating in the overseas countries associated with the EEC shall be imported free of customs duty into the Community within the limits of a tariff quota for which the quota period shall be from 1 July to 30 June.
 - 1.1 The volume of the tariff quota is to be determined by reference to an annual basic amount, calculated in hectolitres of pure alcohol, equal to the amount of the imports effected during the best of the latest years for which statistics are available. This basic amount is to be subject to a rate of growth of 13%. This rate may be modified each year, either upwards or downwards, in the light of certain criteria.
 - 1.2 The annual tariff quota is to be shared among the Member States taking in account actual trends on the markets, the needs of the Member States and the economic prospects for the period concerned.
2. The imports of the products in question during the last three years were as follows :

- in hl of pure alcohol -

| | <u>1975</u> | <u>1976</u> | <u>1977</u> |
|----------------|---------------|---------------|---------------|
| Benelux | 100 | 3,903 | 367 |
| Denmark | 137 | 2 | - |
| Germany | 63,088 | 48,187 | 34,871 |
| France | - | - | - |
| Ireland | 7 | 37 | 2 |
| Italy | 5 | 5 | - |
| United Kingdom | - | 1 | - |
| | <u>63,337</u> | <u>52,135</u> | <u>35,240</u> |

- 2.1 It follows from these figures that the quantities relative to the year 1975 should be taken as determining the annual basic amount.
Having regard to the present over-all position concerning the products in question the rate of growth applicable to the basic amount may be taken as 13%.
- 2.2 In these circumstances, the volume of the Community tariff quota for the period from 1 July 1978 to 30 June 1979 should be fixed as 71,571 hectolitres of pure alcohol.
- 2.3 The Regulation provide in the usual way, for the splitting up of the tariff volume into two parts, of which the first will be allocated among the Member States as quota shares and the second will be kept as a reserve.
3. It is proposed that the draft regulation of the Council on the opening, allocation and administration of the Community tariff quota outlined above be approved.

Proposal for a
COUNCIL REGULATION (EEC)

on the opening, allocation and administration of a Community tariff quota for rum, arrack and tafia falling within subheading 22.09 CI of the Common Customs Tariff and originating in the overseas countries and territories associated with the European Economic Community (1978/79)

THE COUNCIL OF THE EUROPEAN
COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community, and in particular Article 136 thereof,

Having regard to Council Decision 76/198/EEC of 9 February 1976 on import arrangements for rum, arrack and tafia falling within subheading 22.09 CI of the Common Customs Tariff and originating in the overseas countries and territories associated with the European Economic Community⁽¹⁾,

Having regard to the proposal from the Commission,

Whereas Decision 76/198/EEC stipulates that rum, arrack and tafia shall be imported into the Community free of customs duties within the limits of a Community tariff quota; whereas the annual size of the quota for the period 1 July to 30 June is to be fixed on the basis of a basic annual quantity, calculated in hectolitres of pure alcohol, to which a rate of growth of 13 % is to be applied, equal to the amount of imports during the best of the last three years for which statistics are available; whereas this rate may be modified in the light of certain criteria;

Whereas Community statistics for the years 1975 to 1977 show that the highest volume of imports into the Community of the products in question originating in the said countries and territories occurred in 1975, namely 63 337 hectolitres of pure alcohol; whereas in the light of consumption and production within the Community and of the development of trade both within the Community and between the Community, the said countries and territories and the ACP States, the rate of growth for the quota period in question should be 13 %;

Whereas the size of the quota for the period 1 July 1978 to 30 June 1979 should therefore be fixed at 71 571 hectolitres of pure alcohol;

⁽¹⁾ OJ No L 37, 12. 2. 1976, p. 24.

Whereas it is in particular necessary to ensure for all Community importers equal and uninterrupted access to the abovementioned quota and uninterrupted application of the rates laid down for that quota to all imports of the products concerned into all Member States until the quota has been used up; whereas, having regard to the abovementioned principles, the Community nature of the quota can be respected by allocating the Community tariff quota among the Member States;

Whereas, taking into account actual trends on the markets for the products in question, the needs of the Member States and the economic prospects for the period under consideration, the initial percentage shares in the quota volume could be as follows:

| | |
|------------------|--------|
| Benelux : | 5.80, |
| Denmark : | 0.23, |
| Germany : | 93.80, |
| France : | 0.01, |
| Ireland : | 0.01, |
| Italy : | 0.01, |
| United Kingdom : | 0.14; |

Whereas, in order to take into account import trends for the products concerned in the different Member States, the quota amount should be divided into two instalments, the first instalment being allocated among the Member States and the second instalment forming a reserve intended to cover the subsequent requirements of the Member States which have used up their initial quota shares; whereas, in order to ensure a certain degree of security to importers in each Member State, the first instalment of the Community quota should be determined at a level which, under present circumstances, may be 90 % of the quota amount;

Whereas the initial shares of the Member States may be used up at different times; whereas, in order to take this fact into account and avoid any break in continuity, it is important that any Member State having used up almost the whole of its initial share should draw an additional share from the reserve; whereas, this must be done by each Member State as and when each of its additional shares is almost entirely used up, and repeated as many times as the reserve allows; whereas the initial and additional shares must be available for use until the end of the quota period; whereas this method of administration calls for close cooperation between Member States and the Commission, which must, in particular, be able to observe the extent to which the quota amount is used, and inform Member States thereof;

Whereas if, at a specified date in the quota period, a considerable balance remains in one or other Member State, it is essential that that Member State pays a large amount of it back into the reserve, in order to avoid a part of the tariff quota's remaining unused in one Member State when it could be used in others;

Whereas the development of imports into the Community of these products should be recorded and imports should accordingly be monitored;

Whereas, since the Kingdom of Belgium, the Kingdom of the Netherlands and the Grand Duchy of Luxembourg are united in 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 1978 until 30 June 1979 rum, arrack and tafia falling within subheading 22.09 CI of the Common Customs Tariff and originating in the countries and territories referred to in Article 1 of Decision 76/198/EEC shall be imported free of customs duty into the Community within the limits of a Community tariff quota of 71 571 hectolitres of pure alcohol.

2. The rules of origin applicable to the products referred to in paragraph 1 shall be those mentioned in Article 5 of Decision 76/198/EEC.

Article 2

1. The tariff quota referred to in Article 1 shall be divided into two instalments.

2. A first instalment, amounting to 64,414 hectolitres, shall be shared among the Member States; the shares, which subject to Article 5 shall be valid until 30 June 1979, shall be as follows:

| | hectolitres |
|----------------|-------------|
| Benelux | 3 744 |
| Denmark | 135 |
| Germany | 60 420 |
| France | 7 |
| Ireland | 7 |
| Italy | 7 |
| United Kingdom | 91 |

7,157 hectolitres

3. The second instalment of $\frac{1}{7}$ shall constitute the reserve.

Article 3

1. If 90 % or more of the initial share of a Member State as laid down in Article 2 (2), or 90 % of that share less the amount returned into the reserve where the provisions of Article 5 have been applied, has been exhausted, that Member State shall proceed without delay, by notifying the Commission, to draw a second share, equal to 15 % of its initial share, rounded up to the next unit where appropriate, to the extent that the reserve is sufficient.

2. If, after its initial share has been exhausted, 90 % or more of the second share drawn by a Member State has been used, that Member State shall proceed, in accordance with the conditions laid down in paragraph 1, to draw a third share, equal to 7.5 % of its initial share, rounded up to the next unit.

3. If, after its second share has been exhausted, 90 % or more of the third share drawn by a Member State has been used, that Member State shall proceed, in the same way, to draw a fourth share equal to the third.

This process shall be applied until the reserve is exhausted.

4. Notwithstanding paragraphs 1, 2 and 3, a Member State may proceed to draw shares smaller than those fixed in those paragraphs if there is reason to believe that they might not be used up. They shall inform the Commission of the reasons which led them to apply this paragraph.

Article 4

Each of the additional shares drawn pursuant to Article 3 shall be valid until 30 June 1979.

Article 5

The Member States shall return to the reserve, not later than 1 April 1979, the unused portion of their initial shares which, on 15 March 1979, are in excess of 20 % of the initial amounts. They may return greater portions if there are grounds for believing that such portions may not be used in full.

The Member States shall, not later than 1 April 1979, notify the Commission of the total imports of

the said goods effected up to and including 15 March 1979 and charged against the Community quota and, where appropriate, the proportions of their initial shares that are being returned to the reserve.

Article 6

The Commission shall keep an account of the shares opened by the Member States in accordance with Articles 2 and 3 and shall inform each State of the extent to which the reserve has been used up as soon as it receives the notifications.

The Commission shall, not later than 5 April 1979, notify the Member States of the amount in the reserve after the return of shares pursuant to Article 5.

The Commission shall ensure that any drawing which uses up the reserve is limited to the balance available and for this purpose shall specify the amount thereof to the Member State which makes the last drawing.

Article 7

1. The Member States shall take all appropriate measures to ensure that when additional shares are drawn pursuant to Article 3 it is possible for changes to be made without interruption against their accumulated share of the Community quota.

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

3. The Member States shall charge imports of the said goods against their shares as and when the goods are entered with customs authorities for home use.

4. The extent to which a Member State has used up its share shall be determined on the basis of the imports charged in accordance with paragraph 3.

Article 8

1. In accordance with Article 6 of Decision 76/198/EEC, the Community shall monitor imports of the products in question originating in the said countries and territories.

2. Member States shall forward to the Commission not later than the 15th day of each month statements of imports of the products in question effected during the preceding month ; only products submitted to the customs authorities under cover of a declaration that they are to be made available for home use and accompanied by a movement certificate conforming to the rules referred to in Article 1 (2) shall be taken into consideration for this purpose.

3. The Commission shall regularly inform the Member States of the extent to which the tariff quota has been used up.

4. Where necessary, consultations may be held at the request of a Member State or on the initiative of the Commission.

Article 9

The Commission shall take all necessary measures, in close cooperation with the Member States, to ensure the implementation of this Regulation.

Article 10

This Regulation shall enter into force on 1 July 1978.

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

Done at Brussels,

For the Council

The President