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DRAFT

REGULATION (EEC) OF THE COUNCIL

on the opening, allocation and administration of a Community tariff quota for bullion lead and unwrought lead other than bullion lead falling within subheadings No 78.01 A I and A II of the Common Customs Tariff (1974)

DRAFT

REGULATION (EEC) OF THE COUNCIL

on the opening, allocation and administration of a Community tariff quota for unwrought zinc falling with subheading No 79.01 A of the Common Customs Tariff (1974)

(submitted to the Council by the Commission)

EXPLANATORY MEMORANDUM

1. At the time of the negotiations with the countries wishing to join the Communities, an overall solution for the problems of lead and zinc was worked out. This solution, by which certain Member States waived the rights which they enjoyed under Protocol No XV of list G, was recorded in Protocols No 14 and 15 annexed to the Act of Accession, and may be summarized as follows:

In respect of bullion lead:

(a) special treatment for this metal in the Common Customs Tariff by the creation of a new subheading within heading No 78.01;

(b) transformation of the present specific duty of 1.32 u.a./100 kg into an *ad valorem* duty of 4.5%[1];

(c) a nil duty Community tariff quota to be opened, equal in amount to the sum of requests made by the Member States concerned, plus a reserve, and to be administered according to the system of prior allocation, until this duty is totally suspended for an unlimited period;

(d) participation by the new Member States in the new tariff quota from 1 January 1974;

(e) suspension of the duty at a level of 2% from 1 January 1975;

(f) from 1973, annual examination of the possibility of totally suspending the duty for an unlimited period.

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[1] In fact, the Common Customs Tariff provides for an autonomous duty of 4.5% and a conventional duty of 1.32 u.a./100 kg.

In respect of other unwrought lead

(a) transformation, 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%, collecting at least 1.1 u.a./100 kg;

(b) participation by the new Member States in the Community tariff quota of 55 000 metric tons at zero rate from 1 January;

(c) from 1 January 1975, reduction of the quota volume until its disappearance on 31 December 1977;

(d) a reexamination of the situation before abolishing the quota with a view to a possibly limited reduction of the duty (collecting at least 1.1 u.a./100 kg), it being understood that in any case the the Community foundry industry should continue to be safeguarded.

In respect of unwrought zinc

(a) transformation, from 1 January 1974, of the specific duty of 1.32 u.a./100 kg into a duty of 4.5%, collecting at least 1.1 u.a./100 kg;

(b) from the same date, participation by the new Member States in the zero-rated tariff quota, which was fixed at 30 000 metric tons in 1971, and which will decrease every year - except in 1974 - until it disappears on 31 December 1977.

2. The Commission recorded that the solution adopted from 1971 to 1973, even if it did not fully correspond to the Community nature of the quotas to be opened, was the only one which allowed progress to be made in a Community direction, as opposed to the purely national situations which had preceded it. For this reason the annexed draft regulations, on the quotas for 1974, are to a considerable degree based on the

situation obtaining during the preceding years, as regards the conditions for opening, allocating and administering it.

The annexed draft regulations also take into account the agreement reached by the experts on the scope to be left to the Member States to limit the amounts drawn from the quota volumes relating to unwrought lead other than bullion lead and to zinc to certain grades of metal and for certain purposes.

Annex A

Draft

REGULATION (EEC) No .../73 OF THE COUNCIL

of ...

on the opening, allocation and administration of a Community tariff quota for bullion lead and unwrought lead other than bullion lead falling within subheadings No 78.01 A I and A II of the Common Customs Tariff (1974)

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, as regards unwrought lead, Community production is insufficient, and whereas producers cannot therefore meet all of the requirements of industry in the Community;

Whereas it appears to be in the Community's interest to suspend, in the case of this metal, the application of the unilateral Common Customs Tariff duties for a year within given limits, and to distinguish between bullion lead (unwrought lead containing 0.02% or more by weight of silver for refining) and unwrought lead other than bullion lead;

Whereas, under Article 39 of the Act annexed to the Treaty concerning the accession of new Member States to the European Economic Community and to the European Atomic Energy Community, signed on 22 January 1972[1], the new Member States must on 1 January 1974 make the first moves towards alignment of their national tariffs on the Common Customs Tariff as regards the product in question; whereas, therefore, the needs of those Member States for imports from third countries should

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[1] OJ No L 73, 27 March 1973, p 22.

from that date onwards be covered by the tariff quota in question during the period thereof; whereas these requirements may not include imports to which some other preferential tariff treatment may apply, particularly under the European Free Trade Association arrangements; whereas the duties to be applied by the new Member States under the said tariff quota must be in conformity with the provisions of the said Act;

Whereas, in view of the slight interpenetration of the markets in bullion lead and in other unwrought lead, and of the lack of complete statistical data on these two grades of the metal, it does not seem possible to establish the volume and allocation of the Community tariff quota for the metals concerned on the basis of previous data; whereas, on the basis of estimates of requirements submitted by the Member States, the quota volume to be opened for 1974 has been fixed at 313 700 metric tons for bullion lead and at 55 000 metric tons for other unwrought lead; whereas the latter amount takes account of the need to maintain a reasonable balance of deductions from the tariff quota for unwrought lead in general in order to safeguard the foundry industry; whereas, therefore, only the estimated requirements by some Member States for specific grades of lead have been taken into account; whereas it is advisable to allow Member States the option of not taking their share from these 55 000 metric tons if certain conditions of quality and purpose have not been met;

Whereas, to take account of future import trends for the product under consideration, the total quota volume of both grades of lead should be divided into two tranches, the first being allocated and the second being held as a reserve to cover at a later date the requirements of Member States who have used up their initial shares; whereas, to give importers some certainty, the first tranche shall be fixed at 285 180 metric tons for bullion lead and 51 150 metric tons for other unwrought lead, the remainder of 28 520 metric tons and 3850 metric tons constituting the reserve; whereas, failing a sufficiently representative reference period, the following initial percentage-shares may be adopted on the basis of estimates which take account of the new situation:

(metric tons)

	Bullion lead	Other unwrought lead Y
Germany	54 000	11 984
Benelux	22 000	16 619
France	50	333
Italy	54 000	11 984
Denmark	50	911
Ireland	80	230
United Kingdom	155 000	9 089

Whereas the initial shares may be used up fairly quickly; whereas, therefore, to avoid disruption of supplies, any Member State which has almost used up its initial share should draw a supplementary share from the reserve; whereas this must be done by each Member State as each one of its supplementary shares is almost used up, and as many times as the reserve allows; whereas the initial and supplementary shares must 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 follow the extent to which the quota volume has been used up and inform the Member States thereof;

Whereas if, at a given date in the quota period, a Member State has a considerable quantity left over, it is essential that it should return a significant proportion thereof to the reserve, to prevent a part of the Community tariff 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 jointly represented by the Benelux Economic Union any measures concerning the administration of the shares allocated to that economic union may be carried out by one of its members;

HAS ADOPTED THIS REGULATION:

Article 1

1. During the period from 1 January to 31 December 1974 Community tariffs quotas shall be opened in the Community for the following products coming from third countries, and within the following limits:

CCT heading number	Description	Amount of the quota
78.01 A I	unwrought lead containing 0.02% or more by weight of silver for refining (bullion lead)	313 700 metric tons
78.01 A II	Other unwrought lead	55 000 metric tons

2. Imports of the product in question may not be counted under this tariff quota if they are already free of customs duties under other preferential tariff treatment applied by certain Member States in particular under the European Free Trade Association arrangements.

Annex A

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

4. Without prejudice to their option to accelerate alignment under Article 41 of the Act of Accession, the new Member States shall within this tariff quota apply, in lieu of the duties to be applied in trade with third countries from 1 January 1974 and shown in column 2 of the table below, the duties shown in column 1 thereof:

	Quota duties 1	Third country duties 2
Bullion lead (heading No. 78.01 A I of the Common Customs Tariff)		
Denmark	0 %	1.8%, collecting at most 0.528 u.a./100 kg
Ireland	0 %	1.8%, collecting a maximum of 0.528 u.a./ 100 kg
United Kingdom	0 %	1.8%, collecting a maximum of 0.528 u.a./ 100 kg
Unwrought lead, other than bullion lead (heading No. 78.01 A II of the Common Customs Tariff)		
Denmark	0 %	1.8%, collecting a minimum of 0.44 u.a. and a maximum of 0.528 u.a./100 kg
Ireland	0 %	1.8%, collecting a minimum of 0.44 u.a. and a maximum of 0.528 u.a./100 kg
United Kingdom	0 %	1.8%, collecting a minimum of 0.44 u.a. and a maximum of 0.528 u.a./100 kg
	3 %[1]	4.5%, collecting a minimum of 1.1 u.a. and a maximum of 1.32 u.a./100 kg

[1] Imports of these products into the United Kingdom from Commonwealth countries are free of duty.

Article 2

1. The Community tariff quotas referred to in Article 1(1) shall be divided into two tranches.

2. The first tranche of 285 180 metric tons in respect of bullion lead and 51 150 metric tons in respect of other unwrought lead shall be allocated among the Member States; the respective shares of the Member States, which, subject to Article 5, shall be valid until 31 December 1974, shall be as follows:

(a) as regards unwrought lead containing 0.02% or more by weight of silver for refining (bullion lead):

Germany	54 000 metric tons
Benelux	22 000 metric tons
France	50 metric tons
Italy	54 000 metric tons
Danemark	50 metric tons
Ireland	80 metric tons
United Kingdom	155 000 metric tons

(b) as regards other unwrought lead:

Germany	11 984 metric tons
Benelux	16 619 metric tons
France	333 metric tons
Italy	11 984 metric tons
Denmark	911 metric tons
Ireland	230 metric tons
United Kingdom	9 089 metric tons.

3. The second tranches, of 28 520 metric tons and 3 850 metric tons respectively, shall constitute the Community reserves.

Article 3

1. If 90% or more of a Member State's initial share as specified in Article 2(2), or of that share minus the portion returned to the reserve where Article 5 is applied, has been used up, that Member State shall, without delay, by notifying the Commission, draw a second share, to the extent that the reserve is sufficient, equal to 10% of its original share, or rounded up, where necessary, to the next unit.

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, without delay, in accordance with the provisions of paragraph 1, draw a third share equal to 5% of its initial share, rounded up where necessary to the next unit.

3. If, after its initial share has been used, 90% or more of the second share drawn by a Member State has been used up, that Member State shall, in accordance with the provisions of paragraph 1, draw up a fourth share equal to the third.

This process shall continue to apply until the reserve is used up.

4. By way of derogation from paragraphs 1 to 3, a Member State may draw shares lower than those fixed in those paragraphs if there are grounds for believing that those fixed may not be used up. It shall inform the Commission of its reasons for applying this paragraph.

Article 4

Supplementary shares drawn pursuant to Article 3 shall be valid until 31 December 1974.

Article 5

A Member State which on 15 October 1974 has not used up its initial share shall return to the reserve not later than 31 October 1974 the unused portion exceeding 20% of the initial amount. It may return a greater portion if there are grounds for believing that it may not be used up.

Member States shall, not later than 31 October 1974, notify the Commission of the total quantities of the product in question imported up to and including 15 October 1974 and counted against the Community tariff quota and any quantities returned to the reserve.

Article 6

Member States may restrict deductions from their shares of unwrought lead (other than bullion lead) for certain purposes or grades.

Annex A

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 information reaches it, inform each state of the extent to which the reserve has been used up.

It shall, not later than 15 November 1974, inform the Member States of the amount still in reserve after returns have been made pursuant to Article 5.

It shall ensure that the drawing which uses up 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. Member States shall take all measures necessary to ensure that supplementary shares drawn pursuant to Article 3 are opened in such a way that imports may be counted without interruption against their accumulated shares in 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. Member States shall administer their share in accordance with the system of prior allocation.

4. The extent to which a Member State has used up its quota-share shall be determined by reference to imports of the product in question as and when such products are presented for customs clearance under declarations for consumption.

Annex A

Article 9

Member States shall regularly inform the Commission of imports actually counted against their shares.

Article 10

Member States and the Commission shall cooperate closely to ensure that the preceding Articles are observed.

Article 11

This Regulation shall enter into force on 1 January 1974.

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

Done at Brussels, 19..

For the Council
The President

Annex B

Draft

REGULATION (EEC) No ..../73 OF THE COUNCIL

of ....

on the opening, allocation and administration of a Community tariff quota for unwrought zinc falling with subheading No. 79.01 A of the Common Customs Tariff

(1974)

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 from the Commission;

Whereas, as regards unwrought zinc, Community production is insufficient, and whereas producers cannot therefore meet all of the requirements of industry in the Community;

Whereas it appears to be in the Community's interest to suspend, in the case of this metal, the application of the unilateral Common Customs Tariff duties for a year within given limits;

Whereas, under Article 39 of the Act annexed to the Treaty concerning the accession of new Member States to the European Economic Community and to the European Atomic Energy Community, signed on 22 January 1972[1], the new Member States must on 1 January 1974 make the first move towards alignment of the national tariffs on the Common Customs Tariff as regards the product in question; whereas, therefore, the needs of those Member States for imports from third countries should from that date onwards be covered by the tariff quota in question during the period thereof; whereas these requirements may not include imports to which some other preferential tariff treatment may apply, particularly

[1] OJ No L 73, 27 March 1972, p. 22.

under the European Free Trade Association arrangements; whereas the duties to be applied by the new Member States under the said tariff quota must be in conformity with the provisions of the said Act;

Whereas, in view of the slight interpenetration of the markets in unwrought zinc, it does not seem possible to establish the volume and allocation of the Community tariff quota for the metal concerned on the basis of previous data; whereas, on the basis of estimates of requirements supplied by the Member States, the quota volume for unwrought zinc to be opened for 1974 has been fixed at 20 000 metric tons; whereas this amount takes account of the need to stay within reasonable limits and to safeguard Community production; whereas, therefore, only the estimated requirements by some Member States for specific grades of zinc have been taken into account; whereas it is advisable to allow Member States the option of not taking their share from this amount if certain conditions of quality and purpose have not been met;

Whereas, to take account of future import trends for the product under consideration, the total quota volume of 20 000 metric tons should be divided into two tranches, the first being allocated and the second being held as a reserve to cover at a later date the requirements of Member States who have used up their initial shares; whereas, to give importers some certainty, the first tranche should be fixed at 18 000 metric tons, the remainder of 2 000 metric tons constituting the reserve; whereas, failing a sufficiently representative reference period, the following initial percentage-shares may be adopted on the basis of estimates which take account of the new situation:

Germany	42.67
Benelux	25.34
France	1.33
Italy	10.66
Denmark	2.22
Ireland	1.48
United Kingdom	16.30

Whereas the initial shares may be used up fairly quickly; whereas, therefore, to avoid disruption of supplies, any Member State which has almost used up its initial share should draw a supplementary share from the reserve; whereas this must be done by each Member State as each one of its supplementary shares is almost used up, and as many times as the reserve allows; whereas the initial and supplementary shares must 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 follow the extent to which the quota volume has been used up and inform the Member States thereof;

Whereas if, at a given date in the quota period, a Member State has a considerable quantity left over, it is essential that it should return a significant proportion thereof to the reserve, to prevent a part of the Community tariff 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 jointly represented by the Benelux Economic Union any measures concerning the administration of the shares allocated to that economic union may be carried out by one of its members;

Article 1

1. During the period from 1 January to 31 December 1974 a Community tariff quota of 20 000 metric tons shall be opened in the Community for unwrought zinc falling within subheading No 79.01 A of the Common

Annex B

2. Imports of the product in question may not be counted under this tariff quota if they are already free of customs duties under other preferential tariff treatment applied by certain Member States in particular under the the European Free Trade Association arrangements.

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

4. Without prejudice to their option to accelerate alignment under Article 41 of the Act of Accession, the new Member States shall within this tariff quota apply, in lieu of the duties to be applied in trade with third countries from 1 January 1974 and shown in column 2 of the table below, the duties shown in column 1 thereof:

	Quota duties 1	Third countries duties 2
Denmark	0 %	1.8%, collecting a minimum of 0.44 u.a., and a maximum of 0.528 u.a./100 kg
Ireland	0 %	1.8%, collecting a minimum of 0.44 u.a., and a maximum of 0.528 u.a./100 kg
United Kingdom[1]	3 %	4.5%, collecting a minimum of 1.10 u.a., and a maximum of 1.32 u.a./100 kg
	£0.8856/metric ton	£0.8856 per metric ton, + 1.8%, collecting a minimum of 0.44 u.a. per 100 kg, plus £0.8856 per metric ton, and a maximum of 0.528 u.a. per 100 kg, plus £0.8856 per metric ton.

[1] Imports of these products into the United Kingdom from Commonwealth countries are free of duty.

Article 2

1. The Community tariff quota referred to in Article 1(1) shall be divided into two tranches.

2. The first tranche of 18 000 metric tons shall be allocated among the Member States; the respective shares of the Member States, which, subject to Article 5, shall be valid from 1 January to 31 December 1974, shall be as follows:

Germany	7 681 metric tons
Benelux	4 561 metric tons
France	239 metric tons
Italy	1 919 metric tons
Denmark	400 metric tons
Ireland	266 metric tons
United Kingdom	2 934 metric tons.

3. The second tranche, of 2 000 metric tons, shall constitute a reserve.

Article 3

1. If 90% or more of a Member State's initial share as specified in Article 2(1), or of that share minus the portion returned to the reserve where Article 5 is applied, has been used up, that Member State shall without delay, by notifying the Commission, draw a second share, to the extent that the reserve is sufficient, equal to 10% of its initial share, or rounded up where necessary to the next unit.

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, without delay, in accordance with the provisions of paragraph 1, draw a third share equal to 5% of its initial share, rounded up where necessary to the next unit.

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 provisions of paragraph 1, draw up a fourth share equal to the third.

This process shall continue to apply until the reserve is used up.

4. By way of derogation from paragraphs 1 to 3, a Member State may draw shares lower than those fixed in those paragraphs if there are grounds for believing that those fixed may not be used up. It shall inform the Commission of its reasons for applying this paragraph.

Article 4

Supplementary shares drawn pursuant to Article 3 shall be valid until 31 December 1974.

Article 5

A Member State which on 15 October 1974 has not used up its initial share shall return to the reserve not later than 31 October 1974 the unused portion exceeding 20% of the initial amount. It may return a greater portion if there are grounds for believing that it may not be used up.

Member States shall, not later than 31 October 1974, notify the Commission of the total quantities of the product in question imported up to and including 15 October 1974 and counted against the Community tariff quota and any quantities returned to the reserve.

Article 6

Member States may restrict deductions from their shares of unwrought zinc for certain purposes or grades.

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 information reaches it, inform each State of the extent to which the reserve has been used up.

It shall, not later than 15 November 1974, inform the Member States of the amount still in reserve after returns have been made pursuant to Article 5.

It shall ensure that the drawing which uses up 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. Member States shall take all measures necessary to ensure that supplementary shares drawn pursuant to Article 3 are opened in such a way that imports may be counted without interruption against their accumulated shares in 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. Member States shall administer their share in accordance with the system of prior allocation.

4. The extent to which a Member State has used up its quota-share shall be determined by reference to imports of the product in question as and when such products are presented for customs clearance under declarations for consumption.

Article 9

Member States shall regularly inform the Commission of imports actually counted against their shares.

Article 10

Member States and the Commission shall cooperate closely to ensure that the preceding Articles are observed.

Article 11

This Regulation shall enter into force on 1 January 1974.

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

Done at Brussels, 19..

For the Council
The President