



COMMISSION OF THE EUROPEAN COMMUNITIES

Brussels, 28.04.1995
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COMMUNICATION FROM THE COMMISSION

on compensation for certain producers of milk and milk products
temporarily prevented from carrying on their trade ("SLOM" producers).
Implementation of Council Regulation (EEC) No 2187/93

[REDACTED]

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on compensation for certain producers of milk and milk products temporarily prevented from carrying on their trade ("SLOM" producers).
Implementation of Council Regulation (EEC) No 2187/93

1. On 22 July 1993, the Council adopted Regulation (EEC) No 2187/93 providing for an offer of compensation to certain producers of milk and milk products temporarily prevented from carrying on their trade (producers known as "SLOM producers").

Pursuant to Article 15 of that Regulation, the Commission adopted the detailed rules for its application through two Regulations: (EEC) No 2376/93 and (EEC) No 2648/93.

The Council, in the fourth recital to its Regulation, noted that the sheer number of those potentially eligible made it impossible to take each case into account on an individual basis and necessitated a solution based on a flat-rate approach to be expressed in the form of an offer from the institutions to be accepted in full and final settlement or else rejected.

The purpose of this communication is to report to the Council on the implementation of the Regulation concerned and to inform it of the action which the Commission intends to take on this dossier.

2. In accordance with Article 16 of the Council Regulation, the national administrations responsible for administering the transactions were to pay the interested and eligible producers during the course of the 1993/94 budget year or before 15 October 1994. The assessment of the results was therefore made after that date and on the basis of information provided by the Member States.

Thus, about 8 300 producers had received a "SLOM" reference quantity and were therefore eligible for the Council offer. About 6 870 producers accepted the offer and signed the receipt in full and final settlement, equivalent to more than 80% of the total.

Six or seven hundred producers eligible for a "SLOM" reference quantity made no attempt to obtain compensation, either from the national administrations or the institutions, including Community courts. We can assume that no claim from those producers will now be introduced and that even if one were, its admissibility would be highly dubious. Therefore, the rate of settlement of the dossier is more than 90%.

3. With regard to the remaining 10% or so, the following different situations can be distinguished:


[REDACTED]

(a) Although there were a large number of withdrawals after the adoption of Regulation (EEC) No 2187/93 in respect of actions introduced prior to its adoption, some 350 dossiers are still pending before Community courts. These are:

- either actions based on Article 173 of the Treaty, their purpose being to contest the legality of Article 8 of the Regulation which only provides for compensation for the period which is not time-barred. The Court of First Instance has retained four dossiers as test-cases and all the other applicants have withdrawn;
- or - and this applies to almost all the cases - actions based on Article 215 of the Treaty, having as their purpose to have the nominal amount of the compensation (and) or the interest provided for in the Regulation increased.

It is necessary to wait for the result of these actions.

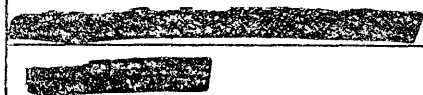
- (b) Some applications were rejected by national administrations because they did not meet the eligibility criteria in Regulation (EEC) No 2187/93. There are two choices here: either the producer will finally yield, or he has gone (or will go) to court, in which case, too, it will be necessary to await the result.
- (c) Certain producers were (or are) engaged in legal action against national authorities which refused to allocated them a reference quantity. There have been (and will be) rulings in favour of the producers, but these will be de facto after the end of the time limits in Regulation (EEC) No 2187/93 for introducing the application for compensation.
- (d) Producers were able to exceed the above time limits for various other reasons which often merit being taken into account. For example, the difficulty of compiling a complete dossier within the required time limit. Regulation (EEC) No 2187/93 set various time limits for the administration of the compensation action, but non-compliance with those dates, under certain circumstances and within certain limits, must not always result in the definitive loss of the right to compensation in respect of which the producer could in the end expect to receive a legal ruling in his favour.
- (e) Finally, it is not impossible that certain authorities will be confronted with cases of force majeure or with situations which, without being true cases of force majeure, nevertheless warrant being reassessed.



In respect of the dossiers falling under the three categories (c), (d) and (e) above, the Commission proposes to ask the national administrations to send it the details after which, if it regards this action as justified, it will make direct transactions with the interested parties in the name of the Commission. The maximum basis for the compensation will be the financial parameters given in Regulation (EEC) No 2187/93, taking account of a reduction where circumstances warrant it. The Commission believes that, apart from possibly staving off a new wave of appeals to the Court of First Instance, this process of dealing with the rest of the cases is in the spirit of the Court of Justice rulings and of Regulation (EEC) No 2187/93.

The Commission therefore asks the Council to acknowledge this communication and its conclusions.

FINANCIAL STATEMENT



1. BUDGET HEADING: B1-209

APPROPRIATIONS: ECU 20 million

2. TITLE:
Communication from the Commission to the Council on compensation for certain producers of milk and milk products temporarily prevented from carrying on their trade.

3. LEGAL BASIS:
Article 215 of the Treaty

4. AIMS:
To notify progress as regards compensating the SLOM producers as provided for by Regulation (EEC) No 2187/93 and in particular to inform the Council of the Commission's intention to compensate some of those entitled by means of direct transactions.

5. FINANCIAL IMPLICATIONS:	PERIOD OF 12 MONTHS	CURRENT FINANCIAL YEAR (95)	FOLLOWING FINANCIAL YEAR (96)
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5.0. EXPENDITURE - CHARGED TO THE EC BUDGET (REFUNDS/INTERVENTION)	+ ECU 20 million	+ ECU 20 million	-
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5.1. REVENUE - OWN RESOURCES OF THE EC (LEVIES/CUSTOMS DUTIES) - NATIONAL	-	-	-
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	1997	1998	1999	2000
5.0.1. ESTIMATED EXPENDITURE	-	-	-	-
5.1.1. ESTIMATED REVENUE	-	-	-	-

5.2. METHOD OF CALCULATION:
The cases referred to in paragraph 3(c)
 Number of cases: 160
 Average: ECU 50 000
 Cost: 160 x ECU 50 000 = ECU 8 million
The cases referred to in paragraphs 3(d) and (c)
 Number of cases: 300
 Average: ECU 40 000
 Cost: 300 x ECU 40 000 = ECU 12 million
 TOTAL COST: ECU 8 million + ECU 12 million = ECU 20 million

6.0. CAN THE PROJECT BE FINANCED FROM APPROPRIATIONS ENTERED IN THE RELEVANT CHAPTER OF THE CURRENT BUDGET? YES

6.1. CAN THE PROJECT BE FINANCED BY TRANSFER BETWEEN CHAPTERS OF THE CURRENT BUDGET?

6.2. WILL A SUPPLEMENTARY BUDGET BE NECESSARY?

6.3. WILL FUTURE BUDGET APPROPRIATIONS BE NECESSARY? NO

OBSERVATIONS The draft supplementary and amending budget No 1/95 takes the above into account.

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DOCUMENTS

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