

COMMISSION OF THE EUROPEAN COMMUNITIES

COM(78) 375 final.

Brussels, 27 July 1978

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Proposal for a

COUNCIL REGULATION (EEC)

opening, allocating and providing for the administration of Community tariff quotas for port wines, falling within heading ex 22.05 of the Common Customs Tariff, and originating in Portugal (1979/80)

Proposal for a

COUNCIL REGULATION (EEC)

opening, allocating and providing for the administration of Community tariff quotas for Madeira wines, falling within heading ex 22.05 of the Common Customs Tariff, and originating in Portugal (1979/80)

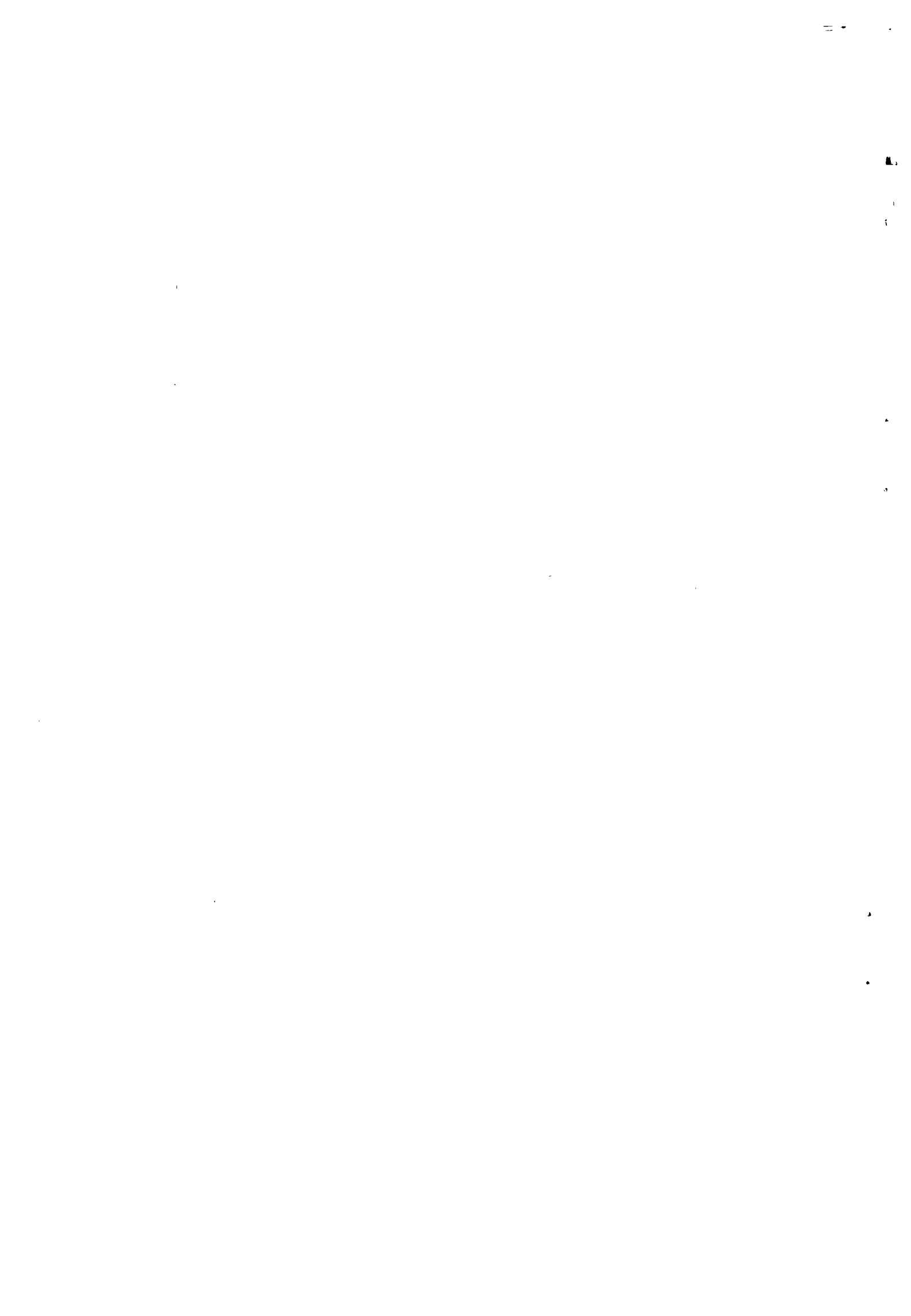
Proposal for a

COUNCIL REGULATION (EEC)

opening, allocating and providing for the administration of Community tariff quotas for Setubal muscatel wines falling within heading ex 22.05 of the Common Customs Tariff, and originating in Portugal (1979/80)

(submitted to the Council by the Commission)

COM(78) 375 final.



EXPLANATORY MEMORANDUM

- 1.- Article 4 of Protocol No 8 to the Agreement of 1972 between the European Economic Community and the Portuguese Republic as amended by Article 9 of the Interim Agreement of 1976, provides for the opening of Community tariff quotas for the wines listed below :

Community Customs Tariff heading	Description of goods	Annual Total Volume	Rate of reduction
e/ 2.05 C III a) 1 e/ 2.05 C IV a) 1	Port wines - in containers holding two litres or less	35 000 hl	60%
e/ 2.05 C III b) 1 e/ 2.05 C IV b) 1	Port wines - in containers holding more than two litres	280 000 hl	50%
e/ 2.05 C III a) 1 e/ 2.05 C IV a) 1	Madeira wines - in containers holding two litres or less	1 500 hl	60%
e/ 2.05 C III b) 1 e/ 2.05 C IV b) 1	Madeira wines - in containers holding more than two litres	14 500 hl	50%
e/ 2.05 C III a) 1 e/ 2.05 C IV a) 1	Setubal muscatel wines - in containers holding two litres or less	1 000 hl	60%
e/ 2.05 C III b) 1 e/ 2.05 C IV b) 1	Setubal muscatel wines - in containers holding more than two litres	2 000 hl	50%

These wines will remain subject to provision relating to the common organization of the market in wine.

2. In order to meet the Community's obligations to Portugal from 1.1.1979 regulations have to be adopted providing for the opening, allocation and administration of Community tariff quotas.

.../...

Up to and including 1978, these tariff quotas opened by the Community have been valid for a period of one calendar year. Owing to certain characteristic features inherent in the production and marketing of these wines, however, the bulk of the Community's imports occur from October to February, and setting the expiry date at 31 December has made it extremely difficult to utilize the quotas properly. In order to resolve this problem it is proposed that the expiry date now be set at 30 June of each year from 30 June 1980, and thereafter. The next quota will therefore run for 18 months, and the quota volumes will be 150% of the quantities indicated above.

The opinion of the competent Portuguese authorities was sought, and they also favour an 18 month transitional period.

This is subject of the annexed proposals.

3. The Regulations provide, in the normal way, that each of the volumes shall be divided into two instalments, the first of which is to be allocated among the Member States and the second held as a reserve

The allocation of the first instalment is usually based on statistics for the three preceding years and on forecasts for the period in question. In the absence of specific Community statistics for these wines the initial quotas have been calculated on the basis of the most recent statistics for Portuguese exports from 1975 to 1977). The Portuguese statistics can in fact be considered to give a rough picture of Community imports of the wines in question.

4. Owing to the special characteristics of the trade in these wines, which also differ between Member States, the regulation, exceptionally, does not establish a uniform method of administration.

ANNEXES : 3 proposals for Regulations of the Council.

PROPOSAL FOR A
COUNCIL REGULATION (EEC)

opening, allocating and providing for the administration of Community tariff quotas for port wines falling within heading No ex 22.05 of the Common Customs Tariff originating in Portugal (1979/80)

THE COUNCIL OF THE EUROPEAN
COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community, and in particular Articles 43 and 113 thereof,

Having regard to the proposal from the Commission,

Having regard to the opinion of the European Parliament⁽¹⁾,

Whereas Article 4 of Protocol 8 to the Agreement between the European Economic Community and the Portuguese Republic⁽²⁾, as amended by the Interim Agreement between the European Economic Community and the Portuguese Republic⁽³⁾, provides that customs duties on imports into the Community of certain wines originating in Portugal, shall be reduced:

- by 60 % in the case of the duties applicable to port wines falling within subheadings ex 22.05 C III a) 1 and ex 22.05 C IV a) 1 of the Common Customs Tariff up to a total annual tariff quota of 35 000 hl, and
- by 50 % in the case of the duties applicable to port wines falling within subheadings ex 22.05 C III b) 1 and ex 22.05 C IV b) 1 of the Common Customs Tariff up to a total annual tariff quota of 280 000 hl;

Whereas, owing to certain characteristic features inherent in the production and marketing of the products in question, the expiry date for the validity of the tariff quotas should henceforward be fixed at 30 June; whereas the tariff quotas should therefore be opened for the period 1 January 1979 to 30 June 1980, and the volumes increased respectively to 52.500 hectolitres and 420.000 hectolitres; whereas these wines remain subject to the provisions governing the common organization of the market in wine products, especially as regards observance of the reference price;

(1) OJ N° C

(2) OJ N° L 301, 31.12.1972, p. 165

(3) OJ N° L 266, 29.9.1976, p. 2

Whereas Council Regulation (EEC) N° 2506/76 of 29 September 1975 laying down special rules for the importation of products in the wine-growing sector originating in certain third countries(1) introduced the notion of a free-at-frontier reference price, being the reference price less customs duties actually levied ;

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

allocating the Community tariff quota among the Member States ; whereas, in order to reflect as accurately as possible the true trend of the market in the products in question, such allocation should be in proportion to the requirements of the Member States, calculated by reference to the statistics of each State's imports from Portugal over a representative reference period and also to the economic outlook for the quota period concerned ;

Whereas available Community statistics give no information on the situation of port wines on the markets ; whereas, however, Portuguese statistics for exports of these products to the Community during the past three years can be considered to reflect approximately the situation of Community imports ; whereas on this basis the corresponding imports by each of the Member States for the past three years represent the following percentages of the imports into the Community from Portugal of the products concerned :

	1975	1976	1977
Port wines :			
— in receptacles containing two litres or less :			
— Benelux	18.8	17.8	20.0
— Denmark	6.9	6.2	5.6
— Germany	15.3	11.0	9.2
— France	29.0	36.0	36.3
— Ireland	0.4	0.2	0.5
— Italy	16.7	18.3	16.6
— United Kingdom	14.4	10.5	11.8
— in receptacles containing more than two litres :			
— Benelux	13.4	15.7	17.1
— Denmark	5.5	7.0	5.2
— Germany	10.4	6.4	8.6
— France	39.4	46.5	47.0
— Ireland	1.2	0.6	0.1
— Italy	-	0.0	-
— United Kingdom	30.1	23.8	22.0

(1) OJ N° L 256, 2.10.1975, p. 2

Whereas, in view of these data and the estimates submitted by certain Member States, initial quota shares may be fixed approximately at the following percentages :

	Port wines in receptacles containing :	
	two litres or less	more than two litres
Benelux	16.6	14.6
Denmark	5.7	6.6
Germany	14.9	8.7
France	29.7	42.5
Ireland	0.8	0.2
Italy	18.6	0.1
United Kingdom	13.7	27.3

Whereas, in order to take into account import trends for the products concerned in the various Member States, each of the quota amounts should be divided into two instalments, the first being shared among the Member States and the second constituting a reserve to cover at a later date the requirements of the Member States which have used up their initial quota shares ; whereas, in order to give importers in each Member State a certain degree of security, the first instalment of the Community quotas should, under the present circumstances, be fixed at 90% of each of the quota volumes.

Whereas the Member States' initial shares may be used up at different times ; whereas, in order to take this fact into account and avoid any break in continuity, any Member State which has almost used up its initial quota shares should draw an additional share from the corresponding reserve ; whereas this must be done by each Member State as and when each of its additional shares is almost used up, and repeated as many times as the reserve allows ; whereas the initial and additional shares must be valid until the end of the quota period ; whereas this method of administration requires close cooperation between Member States and the Commission, and the latter must be in a position to monitor the extent to which the quota volumes have been used up and to inform the Member States thereof ;

Whereas if, at a given date in the quota period, a substantial quantity of an initial share remains unused in any Member State it is essential that that Member State should return a significant proportion to the reserve, to prevent a part of any Community quota from 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 in and represented by the Benelux Economic Union, any operation relating to the administration of the quota shares allocated to that Economic Union may be carried out by any of its members,

HAS ADOPTED THIS REGULATION:

Article 1

1. From 1 January 1979 to 30 June 1980, Community tariff quotas shall be opened for products originating in Portugal, within the limits set out below:

CCT heading No	Description	Quota amount
ex 22.05 C III a) 1 ex 22.05 C IV a) 1	} Port wines	52 500 hl
ex 22.05 C III b) 1 ex 22.05 C IV b) 1	} Port wines	420 000 hl

2. The Common Customs Tariff duties on wines imported within these tariff quotas shall be suspended at the rates set out below:

CCT heading No	Rate of duty
ex 22.05 C III a) 1	5.4 u.a./hl
ex 22.05 C IV a) 1	5.8 u.a./hl
ex 22.05 C III b) 1	5.5 u.a./hl
ex 22.05 C IV b) 1	6.0 u.a./hl

3. The admission of these wines under the Community tariff quotas referred to in paragraph 1 shall be conditional upon observance of the reference price applicable to them.

4. The wines in question shall benefit from these tariff quotas on condition that the prices on import into the Community are not at any time less than the free-at-frontier reference prices applicable thereto, as specified in Regulation (EEC) No 2506/75 and in subsequent instruments.

Article 2

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

2. A first instalment of each quota shall be shared among the Member States; the respective shares which, subject to Article 5, shall be valid until 30 June 1980, shall be as follows:

(hectolitres)

	Port wines under subheadings	
	ex 22.05 C III a) 1 and ex 22.05 C IV a) 1	ex 22.05 C III b) 1 and ex 22.05 C IV b) 1
Benelux	7 840	55 200
Denmark	2 700	24 960
Germany	7 040	32 900
France	14 030	160 600
Ireland	380	760
Italy	8 790	380
United Kingdom	6 470	103 200
Total	47 250	378 000

3. The second instalment of each quota, 5 250 and 42 000 hectolitres respectively, shall constitute the reserve.

Article 3

1. If 90% or more of one of the Member State's initial shares as specified in Article 2 (2) or 90%, or of that share minus the portion returned to the reserve where Article 5 is applied, has been used up, then, to the extent permitted by the amount of the reserve, that Member State shall forthwith, by notifying the Commission, draw a second share equal to 15% of its initial share, rounded up where necessary to the next unit.
2. If, after one of its initial shares has been used up, 90% or more of the second share drawn by a Member State has been used up, then, to the extent permitted by the amount of the reserve, that Member State shall, in accordance with the conditions laid down in paragraph 1, draw a third share equal to 7.5% of its initial share, rounded up where necessary to the next unit.
3. If, after one of its second shares 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 conditions laid down in paragraph 1, draw a fourth share equal to the third.

This process shall continue until the reserve is used up.

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

Article 4

Additional shares drawn pursuant to Article 3 shall be valid until 30 June 1980.

Article 5

The Member States shall return to the reserve, not later than 1 April 1980, such unused portion of their initial share as, on 15 March 1980, is in excess of 20% of the initial volume. They may return a larger quantity if there are grounds for believing that it might not be used.

The Member States shall, not later than 1 April 1980, notify the Commission of the total quantities of the products in question imported up to 15 March 1980 and charged against the Community quotas and of any quantities of the initial shares returned to the reserve.

Article 6

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

The Commission shall inform the Member States not later than 5 April 1980 of the amount in each reserve after quantities have been returned pursuant to Article 5.

The Commission shall ensure that any drawing which uses up any reserve is limited to the balance available, and to this end shall indicate the amount of their balance to the Member State which makes such last drawing.

Article 7

1. The Member States shall take all measures necessary 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 shares of the Community quotas.

2. The Member States shall ensure that importers of the products 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 shares shall be determined on the basis of imports of the products in question originating in Portugal and entered with the customs authorities for home use.

Article 8

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

Article 9

The Member States and the Commission shall cooperate closely in order to ensure compliance with this Regulation.

Article 10

This Regulation shall enter into force on 1 January 1979.

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

Done at Brussels,

For the Council

The President

PROPOSAL FOR A
COUNCIL REGULATION (EEC)

opening, allocating and providing for the administration of Community tariff quotas for Madeira wines falling within heading No ex 22.05 of the Common Customs Tariff originating in Portugal (1979/80)

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community, and in particular Articles 43 and 113 thereof,

Having regard to the proposal from the Commission,

Having regard to the opinion of the European Parliament⁽¹⁾,

Whereas Article 4 of Protocol 8 to the Agreement between the European Economic Community and the Portuguese Republic⁽²⁾, as amended by the Interim Agreement between the European Economic Community and the Portuguese Republic⁽³⁾, provides that customs duties on imports into the Community of certain wines originating in Portugal, shall be reduced:

- by 60 % in the case of the duties applicable to Madeira wines falling within subheadings ex 22.05 C III a) 1 and ex 22.05 C IV a) 1 of the Common Customs Tariff up to a total annual tariff quota of 1 500 hl, and
- by 50 % in the case of the duties applicable to Madeira wines falling within subheadings ex 22.05 C III b) 1 and ex 22.05 C IV b) 1 of the Common Customs Tariff up to a total annual tariff quota of 14 500 hl;

Whereas, owing to certain characteristic features inherent in the production and marketing of the products in question, the expiry date for the validity of the tariff quotas should henceforward be fixed at 30 June; whereas the tariff quotas should therefore be opened for the period 1 January 1979 to 30 June 1980, and the volume increased respectively to 2 250 hectolitres and 21 750 hectolitres; whereas these wines remain subject to the provisions governing the common organization of the market in wine products, especially as regards observance of the reference price;

OJ N° C.
OJ N° L 301, 31.12.1972, p. 165.
OJ N° L 266, 29.9.1976, p. 2

Whereas Council Regulation (EEC) N° 2506/76 of 29 September 1975 laying down special rules for the importation of products in the wine-growing sector originating in certain third countries ⁽¹⁾ introduced the notion of a free-at-frontier reference price, being the reference price less customs duties actually levied ;

Whereas it is in particular necessary to ensure for all Community importers equal and uninterrupted access to the abovementioned quotas and uninterrupted application of the rates laid down for these quotas to all imports of the products concerned into all Member States until the quotas have been used up ; whereas, having regard to the above principles, the Community nature of the quotas can be respected by allocating the Community tariff quota among the Member States ; whereas in order to reflect as accurately as possible the true trend of the market in the products in question, such allocation should be in proportion to the requirements of the Member States ; calculated by reference to the statistics of each State's imports from Portugal over a representative reference period and also to the economic outlook for the quota period concerned ;

Whereas available Community statistics give no information on the situation of Madeira wines on the markets ; whereas, however, Portuguese statistics for exports of these products to the Community during the past three years can be considered to reflect approximately the situation of Community imports ; whereas on this basis the corresponding imports by each of the Member States for the past three years represent the following percentages of the imports into the Community from Portugal of the products concerned :

	1975	1976	1977
Madeira wines :			
— in receptacles containing two litres or less :			
— Benelux	28.7	14.2	21.9
— Denmark	31.5	24.6	20.3
— Germany	9.0	7.7	13.3
— France	2.5	35.1	4.5
— Ireland	1.0	1.0	2.9
— Italy	17.3	6.9	23.8
— United Kingdom	10.0	9.5	13.4
— in receptacles containing more than two litres :			
— Benelux	13.6	12.4	14.5
— Denmark	10.6	14.8	10.7
— Germany	21.4	17.5	21.0
— France	46.7	43.4	41.7
— Ireland	-	0.1	-
— Italy	-	-	-
— United Kingdom	7.7	11.8	12.1

(1) OJ N° L 256, 2.10.1975, p. 2

Whereas, in view of these data and the estimates submitted by certain Member States, initial quota shares may be fixed approximately at the following percentages :

	Madeira wines in receptacles containing :	
	two litres or less	more than two litres
Benelux	18.4	14.0
Denmark	22.9	16.5
Germany	13.1	19.1
France	3.6	40.8
Ireland	1.1	0.1
Italy	25.8	0.1
United Kingdom	15.1	9.4

Whereas, in order to take into account import trends for the products concerned in the various Member States, the quota volumes should be divided into two instalments, the first being shared among the Member States and the second constituting a reserve to cover at a later date the requirements of the Member States which have used up their initial quota shares ; whereas, in order to give importers in each Member State a certain degree of security, the first instalment of the Community quotas should, under the present circumstances, be fixed at 90% of each of the quota volumes ;

Whereas the Member States' initial shares may be used up at different times ; whereas, in order to take this fact into account and avoid any break in continuity, any Member State which has almost used up its initial share should draw an additional share from the corresponding reserve ; whereas this must be done by each Member State as and when each of its additional shares is almost used up, and repeated as many times as the reserve allows ; whereas the initial and additional shares must be valid until the end of the quota period ; whereas this method of administration requires close cooperation between Member States and the Commission, and the latter must be in a position to monitor the extent to which the quota volumes have been used up and to inform Member States thereof ;

Whereas if, at a given date in the quota period, a substantial quantity of an initial share remains unused in any Member State it is essential that that Member State should return a significant proportion to the reserve, to prevent a part of any Community quota from 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 in and represented by the Benelux Economic Union, any operation relating to the administration of the quota shares allocated to that Economic Union may be carried out by any of its members,

HAS ADOPTED THIS REGULATION:

Article 1

1. From 1 January 1979 to 30 June 1980, Community tariff quotas shall be opened for products originating in Portugal, within the limits set out below:

CCT heading No	Description	Quota amount
ex 22.05 C III a) 1 ex 22.05 C IV a) 1	} Madeira wines	2 250 hl
ex 22.05 C III b) 1 ex 22.05 C IV b) 1	} Madeira wines	21 750 hl

2. The Common Customs Tariff duties on wines imported within these tariff quotas shall be suspended at the rates set out below:

CCT heading No	Rate of duty
ex 22.05 C III a) 1	5.4 u.a./hl
ex 22.05 C IV a) 1	5.8 u.a./hl
ex 22.05 C III b) 1	5.5 u.a./hl
ex 22.05 C IV b) 1	6.0 u.a./hl

3. The admission of these wines under the Community tariff quotas referred to in paragraph 1 shall be conditional upon observance of the reference price applicable to them.

4. The wines in question shall benefit from these tariff quotas on condition that the prices on import into the Community are not at any time less than the free-at-frontier reference prices applicable thereto, as specified in Regulation (EEC) No 2506/75 and in subsequent instruments.

Article 2

1. The tariff quotas referred to in Article 1 shall be divided into two instalments.
2. A first instalment of each quota shall be shared among the Member States; the respective shares which, subject to Article 5, shall be valid until 30 June 1980 shall be as follows :

(hectolitres)

	Madeira wines under subheadings :	
	ex 22.05 C III a) 1 and ex 22.05 C IV a) 1	ex 22.05 C III b) 1 and ex 22.05 C IV b) 1
Benelux	375	2 740
Denmark	460	3 230
Germany	265	3 740
France	75	7 970
Ireland	25	20
Italy	520	20
United Kingdom	305	1 840
Total	2 025	14 580

3. The second instalment of each quota, 225 2 170 hectolitres respectively, shall constitute the reserve.

Article 3

1. If 90% or more of one of a Member State's initial shares 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, then, to the extent permitted by the amount of the reserve, that Member State shall forthwith, by notifying the Commission, draw a second share equal to 15% of its initial share, rounded up where necessary to the next unit.
2. If, after one of its initial shares has been used up, 90% or more of the second share drawn by a Member State has been used up, then, to the extent permitted by the amount of the reserve, that Member State shall, in accordance with the conditions laid down in paragraph 1, draw a third share equal to 7.5% of its initial share, rounded up where necessary to the next unit.

3. If, after one of its second shares 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 conditions laid down in paragraph 1, draw a fourth share equal to the third.

This process shall continue until the reserve is used up.

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

Article 4

Additional shares drawn pursuant to Article 3 shall be valid until 30 June 1980.

Article 5

The Member States shall return to the reserve, not later than 1 April 1980, such unused portion of their initial share as, on 15 March 1980, is in excess of 20% of the initial volume. They may return a larger quantity if there are grounds for believing that it might not be used.

The Member States shall, not later than 1 April 1980, notify the Commission of the total imports of the products in question imported up to 15 March 1980 and charged against the Community quotas and of any quantities of the initial shares returned to the reserve.

Article 6

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

It shall inform the Member States, not later than 5 April 1980, of the amount in each reserve after quantities have been returned pursuant to Article 5.

The Commission shall ensure any drawing which uses up any reserve is limited to the balance available, and to this end shall indicate the amount of that balance Member State which makes such last drawing.

Article 7

1. The Member States shall take all measures necessary 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 shares of the Community quotas.
2. The Member States shall ensure that importers of the products 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 shares shall be determined on the basis of imports of the products in question originating in Portugal and entered with the customs authorities for home use.

Article 8

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

Article 9

The Member States and the Commission shall cooperate closely in order to ensure compliance with this Regulation.

Article 10

This Regulation shall enter into force on 1 January 1979.

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

Done at Brussels,

For the Council
The President

PROPOSAL FOR A
COUNCIL REGULATION (EEC)

opening, allocating and providing for the administration of Community tariff quotas for Setubal muscatel wines falling within heading No ex 22.05 of the Common Customs Tariff originating in Portugal (1979/80)

THE COUNCIL OF THE EUROPEAN
COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community, and in particular Articles 43 and 113 thereof,

Having regard to the proposal from the Commission,

Having regard to the opinion of the European Parliament (1),

Whereas Article 4 of Protocol 8 to the Agreement between the European Economic Community and the Portuguese Republic (2), as amended by the Interim Agreement between the European Economic Community and the Portuguese Republic (3), provides that customs duties on imports into the Community of certain wines originating in Portugal, shall be reduced:

- by 60 % in the case of the duties applicable to Setubal muscatel wines falling within subheadings ex 22.05 C III a) 1 and ex 22.05 C IV a) 1 of the Common Customs Tariff up to a total annual tariff quota of 1 000 hl, and
- by 50 % in the case of the duties applicable to Setubal muscatel wines falling within subheadings ex 22.05 C III b) 1 and ex 22.05 C IV b) 1 of the Common Customs Tariff up to a total annual tariff quota of 2 000 hl;

Whereas owing to certain characteristic features inherent in the production and marketing of the products in question, the expiry date for the validity of the tariff quotas should henceforward be fixed at 30 June; whereas the tariff quotas should therefore be opened for the period 1 January 1979 to 30 June 1980, and the volumes increased respectively to 1 500 hectolitres and 3 000 hectolitres; whereas these wines remain subject to the provisions governing the common organization of the market in wine products, especially as regards observance of the reference price;

(1) OJ N° C

(2) OJ N° L 301, 31.12.1972, p. 165

(3) OJ N° L 266, 29.9.1976, p. 2

Whereas Council Regulation (EEC) N° 2506/76 of 29 September 1975 laying down special rules for the importation of products in the wine-growing sector originating in certain third countries ⁽¹⁾ introduced the notion of a free-at-frontier reference price, being the reference price less customs duties actually levied ;

Whereas it is in particular necessary to ensure for all Community importers equal and uninterrupted access to the abovementioned quotas and uninterrupted application of the rates laid down for these quotas to all imports of the products concerned into all Member States until the quotas have been used up; whereas, having regard to the above principles, the Community nature of the quotas can be respected by allocating the Community tariff quota among the Member States; whereas, in order to reflect as accurately as possible the true trend of the market in the products in question such allocation should be in proportion to the requirements of the Member States, calculated by reference to the statistics of each State's imports from Portugal over a representative reference period and also to the economic outlook for the quota period concerned ;

Whereas available Community statistics give no information on the situation of Setubal muscatel wines on the markets; whereas, however, Portuguese statistics for exports of these products to the Community during the past three years can be considered to reflect approximately the situation of Community imports; whereas on this basis the corresponding imports by each of the Member States for the past three years represent the following percentage^c of the imports into the Community from Portugal of the products concerned :

	1975	1976	1977
Setubal muscatel wines :			
— in receptacles containing two litres or less :			
— Benelux	-	-	6
— Denmark	20	83	6
— Germany	80	-	-
— France	-	-	28
— Ireland	-	-	-
— Italy	-	17	-
— United Kingdom	-	-	60
— in receptacles containing more than two litres :			
— Benelux	-	-	-
— Denmark	-	-	-
— Germany	-	-	-
— France	-	-	-
— Ireland	-	-	-
— Italy	-	-	-
— United Kingdom	-	-	-

(1) OJ N° L 256, 2.10.1975, p. 2

Whereas, in view of these data and the estimates submitted by certain Member States, initial quota shares may be fixed approximately at the following percentages :

	Setubal muscatel wines in receptacles containing :	
	two litres or less	more than two litres
Benelux	20	20
Denmark	5	5
Germany	20	20
France	20	20
Ireland	5	5
Italy	10	10
United Kingdom	20	20

Whereas, in order to take into account import trends for the products concerned in the various Member States, each of the quota volumes should be divided into two instalments, the first being shared among the Member States and the second constituting a reserve to cover at a later date requirements of Member States which have used up their initial quota shares ; whereas, in order to give importers in each Member State a certain degree of security, the first instalment of the Community quota should, under the present circumstances, be fixed at 90% of each of the quota volumes ;

Whereas the Member States' initial shares may be used up at different times ; whereas, in order to take this fact into account and avoid any break in continuity, any Member State which has almost used up its initial quota shares should draw an additional share from the corresponding reserve ; whereas this must be done by each Member State as and when each of its additional shares is almost used up, and repeated as many times as the reserve allows ; whereas the initial and additional shares must be valid until the end of the quota period ; whereas this method of administration requires close cooperation between Member States and the Commission, and the latter must be in a position to monitor the extent to which the quota volumes have been used up and to inform the Member States thereof ;

Whereas if, at a given date in the quota period, a substantial quantity of an initial share remains unused in any Member State it is essential that that Member State should return a significant proportion to the reserve to prevent a part of any Community quota from 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 in and represented by the Benelux Economic Union, any operation relating to the administration of the quota shares allocated to that Economic Union may be carried out by any of its members,

HAS ADOPTED THIS REGULATION :

Article 1

1. From 1 January 1979 to 30 June 1980, Community tariff quotas shall be opened for products originating in Portugal, within the limits set out below:

CCT heading No	Description	Quota amount
ex 22.05 C III a) 1 ex 22.05 C IV a) 1	} Setubal muscatel wines	1 500 hl
ex 22.05 C III b) 1 ex 22.05 C IV b) 1	} Setubal muscatel wines	3 000 hl

2. The Common Customs Tariff duties on wines imported within these tariff quotas shall be suspended at the rates set out below:

CCT heading No	Rate of duty
ex 22.05 C III a) 1	5.4 u.a./hl
ex 22.05 C IV a) 1	5.8 u.a./hl
ex 22.05 C III b) 1	5.5 u.a./hl
ex 22.05 C IV b) 1	6.0 u.a./hl

3. The admission of these wines under the Community tariff quota referred to in paragraph 1 shall be conditional upon observance of the reference price applicable to them.

4. The wines in question shall benefit from these tariff quotas on condition that the prices on import into the Community are not at any time less than the free-at-frontier reference prices applicable thereto, as specified in Regulation (EEC) No 2506/75 and in subsequent instruments.

Article 2

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

2. A first instalment of each quota shall be allocated among the Member States; the respective shares which, subject to Article 5, shall be valid until 30 June 1980, shall be as follows :

(hectolitres)

	Setubal muscatel wines under subheadings:	
	ex 22.05 C III a) I and ex 22.05 C IV a) I	ex 22.05 C III b) I and ex 22.05 C IV b) I
Benelux	270	540
Denmark	68	135
Germany	270	540
France	270	540
Ireland	67	135
Italy	135	270
United Kingdom	270	540
Total	1 350	2 700

3. The second instalment of each quota, ¹⁵⁰
³⁰⁰ hectolitres respectively, shall constitute the reserve.

Article 3

1. If 90% or more of the 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, then, to the extent permitted by the amount of the reserve, that Member State shall forthwith, by notifying the Commission, draw a second share equal to 15% of its initial share, rounded up where necessary to the next unit.
2. If, after one of its initial shares has been used up, 90% or more of the second share drawn by a Member State has been used up, then, to the extent permitted by the amount of the reserve, that Member State shall, in accordance with the conditions laid down in paragraph 1, draw a third share equal to 7.5% of its initial share, rounded up where necessary to the next unit.
3. If, after one of its second shares 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 conditions laid down in paragraph 1, draw a fourth share equal to the third.

This process shall continue until the reserve is used up.

- 4.. By way of derogation from paragraphs 1, 2 and 3, a Member State may draw shares smaller than those fixed in those paragraphs if there is reason to believe that these might not be used up. It shall inform the Commission of its reasons for applying this paragraph.

Article 4

Additional shares drawn pursuant to Article 3 shall be valid until 30 June 1980.

Article 5

The Member States shall return to the reserve, not later than 1 April 1980, such unused portion of their initial share as, on 15 March 1980, as in excess of 20% of the initial volume. They may return a larger quantity if there are grounds for believing that it may not be used.

The Member States shall, not later than 1 April 1980, notify the Commission of the total quantities of the products in question imported up to 15 March 1980 and charged against the Community quotas and of any quantities of the initial shares returned to each reserve.

Article 6

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 it is notified, inform each Member State of the extent to which the reserve has been used up.

It shall inform the Member States, not later than 5 April 1980, of the amount of each reserve after quantities have been returned pursuant to Article 5.

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

Article 7

1. The Member States shall take all measures necessary 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 shares of the Community quotas.
2. The Member States shall ensure that importers of the products 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 shares shall be determined on the basis of imports of the products in question originating in Portugal and entered with the customs authorities for home use.

Article 8

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

Article 9

The Member States and the Commission shall cooperate closely in order to ensure compliance with this Regulation.

Article 10

This Regulation shall enter into force on 1 January 1979.

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

Done at Brussels,

For the Council
The President