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EUROPEAN COMMISSION

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COM(2010) 681 final

2010/0331 (NLE)

Proposal for a

COUNCIL REGULATION

amending Regulation (EU) No 7/2010 opening and providing for the management of autonomous tariff quotas of the Union for certain agricultural and industrial products

EXPLANATORY MEMORANDUM

1. CONTEXT OF THE PROPOSAL

Autonomous tariff quotas of the Union are needed for products where production in the Union is insufficient to meet the needs of the user industry in the Union for the current quota period. In response to requests from several Member States, the Commission, together with the government experts concerned, considered whether to open autonomous tariff quotas for certain agricultural and industrial products.

On 22 December 2009 the Council adopted Regulation (EU) No 7/2010 opening and providing for the management of autonomous tariff quotas of the Union for certain agricultural and industrial products and repealing Regulation (EC) No 2505/96 so that Union demand for the products in question could be met under the most favourable conditions.

Tariff quotas of the Union should be opened at zero or reduced rates of the autonomous Common Customs Tariff duty for appropriate volumes, without disturbing the markets for such products. Discussions at meetings of the Economic Tariff Questions Group showed that the Member States were ready to open quotas for the products covered by the proposal for a Regulation, without disturbing the markets for such products

The proposal is in line with agricultural, trade, enterprise, development and external relations policies. Especially this proposal is not at the expense of countries enjoying a preferential trading agreement with the EU (e.g. GSP, ACP regime, candidate and potential candidate countries of the Western Balkans).

2. RESULTS OF CONSULTATIONS OF THE INTERESTED PARTIES AND IMPACT ASSESSMENTS

The Economic Tariff Questions Group representing the industries of each Member State was consulted. All listed quotas reflect the agreement reached by the Group.

There was no mention of potentially serious risks with irreversible consequences.

This proposal will follow an inter service consultation procedure and will be published after its adoption by the Council.

3. LEGAL ELEMENTS OF THE PROPOSAL

Amendment of a Council Regulation opening and providing for the management of autonomous tariff quotas of the Union for certain agricultural and industrial products on the legal basis of Article 31 of the Treaty on the Functioning of the European Union. By virtue of that Article autonomous tariff quotas are fixed by the Council acting on a qualified majority on the basis of a Commission proposal.

The proposal falls under the exclusive competence of the Union. The subsidiary principle therefore does not apply.

This set of measures is in line with the principles for simplifying the procedures for the operators engaged in foreign trade and with the Commission communication of 1998 concerning autonomous tariff suspensions and quotas (C 128, 25.4.1998, p.2).

4. BUDGETARY IMPLICATION

Uncollected customs duties with a total amount of €- 9 422 228

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THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union, and in particular Article 31 thereof,

Having regard to the proposal from the European Commission¹,

Whereas:

- (1) In order to ensure sufficient and uninterrupted supplies of certain goods insufficiently produced in the Union and to avoid any disturbances on the market for certain agricultural and industrial products, autonomous tariff quotas have been opened by Council Regulation (EU) No 7/2010². Products within those tariff quotas can be imported at reduced or zero duty rates. For the same reasons it is necessary to open, with effect from 1 January 2011, for certain products new tariff quotas at a zero duty rate for an appropriate volume.
- (2) The quota volume for autonomous tariff quotas with the order numbers 09.2977 and 09.2635 are insufficient to meet the needs of the industry of the Union for the current quota period ending at 31 December 2010. Consequently, those quota volumes should be increased with effect from 1 July 2010.
- (3) It is no longer in the interest of the Union to continue to grant tariff quotas in 2011 for certain products for which such quotas were established for 2010. Those quotas should therefore be closed with effect from 1 January 2011 and the corresponding products should be deleted from the list in Annex I to Regulation (EU) No 7/2010.
- (4) In view of the many changes to be made, clarity requires Annex I to Regulation (EU) No 7/10 to be replaced in its entirety.
- (5) Regulation (EU) No 7/2010 should therefore be amended accordingly.
- (6) Since the tariff quotas have to take effect from 1 January 2011, this Regulation should apply from the same date and enter into force immediately,

¹ OJ C , , p. .

² OJ L 3, 7.1.2010, p.1.

PUT THE FOLLOWING FOOTNOTE IN THE FINANCIAL STATEMENT

HAS ADOPTED THIS REGULATION:

Article 1

The Annex to Regulation (EU) No 7/2010 is replaced by the text set out in the Annex to this Regulation.

Article 2

With effect from 1 July 2010, in the Annex to Regulation (EU) No 7/2010:

- the quota volume of the tariff quota for order number 09.2977 is fixed at 40 000 tonnes,
- the quota volume of the tariff quota for order number 09.2635 is fixed at 1 300 000 km.

Article 3

With effect from 1 January 2011, in the Annex to Regulation (EU) No 7/2010 the rows for the tariff quotas with order numbers 09.2638, 09.2639, 09.2640, 09.2941, 09.2642 and 09.2643 are inserted.

Article 4

With effect from 1 January 2011, in the Annex to Regulation (EU) No 7/2010 the rows for the tariff quotas with order numbers 09.2002, 09.2604, 09.2611, 09.2807 and 09.2914 are deleted.

Article 5

This Regulation shall enter into force on the day of its publication in the *Official Journal of the European Union*.

This Regulation shall apply from 1 January 2011.

However, Article 2 shall apply from 1 July 2010.

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

Done at Brussels,

*For the Council
The President*

ANNEX**"ANNEX**

Order number	CN code	TARIC	Description	Quota period	Quota volume	Quota duty (%)
09.2849	ex 0710 80 69	10	Mushrooms of the species <i>Auricularia polytricha</i> (uncooked or cooked by steaming or boiling), frozen, for the manufacture of prepared meals (1)(2)	1.1.- 31.12.	700 tonnes	0 %
09.2913	ex 2401 10 35	91	Natural unmanufactured tobacco, whether or not cut in regular size, having a custom value of not less than Euro 450 per 100 kg net weight, for use as binder or wrapper for the manufacture of goods falling within subheading 2402 10 00 (1)	1.1.- 31.12.	6 000 tonnes	0 %
	ex 2401 10 70	10				
	ex 2401 10 95	11				
	ex 2401 10 95	21				
	ex 2401 10 95	91				
	ex 2401 20 35	91				
	ex 2401 20 70	10				
	ex 2401 20 95	11				
	ex 2401 20 95	21				
	ex 2401 20 95	91				
09.2841	ex 2712 90 99	10	Blend of 1-alkenes containing 80 % by weight or more of 1-alkenes of a chain-length of 20 and 22 carbon atoms	1.1.- 31.12.	10 000 tonnes	0 %
09.2703	ex 2825 30 00	10	Vanadium oxides and hydroxides exclusively for use in alloys (1)	1.1.- 31.12.	13 000 tonnes	0 %
09.2806	ex 2825 90 40	30	Tungsten trioxide, including blue tungsten oxide	1.1.- 31.12.	12 000 tonnes	0 %
09.2837	ex 2903 49 80	10	Bromochloromethane	1.1.- 31.12.	600 tonnes	0 %
09.2933	ex 2903 69 90	30	1,3-Dichlorobenzene	1.1.- 31.12.	2 600 tonnes	0 %
09.2950	ex 2905 59 98	10	2-Chloroethanol, for the manufacture of liquid thioplasts of subheading 4002 99 90 (1)	1.1.- 31.12.	15 000 tonnes	0 %
09.2851	ex 2907 12 00	10	O-Cresol having a purity of not less than 98.5 % by weight	1.1.- 31.12.	20 000 tonnes	0 %
09.2767	ex 2910 90 00	80	Allyl glycidyl ether	1.1.-	2 500 tonnes	0 %

				31.12.		
09.2624	2912 42 00		Ethylvanillin (3-ethoxy-4-hydroxybenzaldehyde)	1.1.- 31.12.	600 tonnes	0 %
*09.2638	2915 21 00	10	Acetic acid of a purity by weight of 99 % or more	1.1.- 31.12.	500 000 tonnes	0 %
09.2972	2915 24 00		Acetic anhydride	1.1.- 31.12.	20 000 tonnes	0 %
09.2769	ex 2917 13 90	10	Dimethyl sebacate	1.1.- 31.12.	1 300 tonnes	0 %
09.2634	ex 2917 19 90	40	Dodecanedioic acid, of a purity by weight of more than 98,5 %	1.1.- 31.12.	4 600 tonnes	0 %
09.2808	ex 2918 22 00	10	<i>o</i> -Acetylsalicylic acid	1.1.- 31.12.	120 tonnes	0 %
09.2975	ex 2918 30 00	10	Benzophenone-3,3',4,4'-tetracarboxylic dianhydride	1.1.- 31.12.	1 000 tonnes	0 %
09.2632	ex 2921 22 00	10	Hexamethylenediamine	1.1.- 31.12.	35 000 tonnes	0 %
09.2602	ex 2921 51 19	10	<i>o</i> -Phenylenediamine	1.1.- 31.12.	1 800 tonnes	0 %
09.2977	2926 10 00		Acrylonitrile	1.1.- 31.12.	30 000 tonnes	0 %
09.2917	ex 2930 90 13	90	Cystine	1.1.- 31.12.	600 tonnes	0 %
09.2603	ex 2930 90 99	79	Bis(3-triethoxysilylpropyl)tetrasulphide	1.1.- 31.12.	9 000 tonnes	0 %
09.2810	2932 11 00		Tetrahydrofuran	1.1.- 31.12.	20 000 tonnes	0 %
09.2955	ex 2932 19 00	60	Flurtamone (ISO)	1.1.- 31.12.	300 tonnes	0 %
09.2812	ex 2932 29 85	77	Hexan-6-olide	1.1.- 31.12.	4 000 tonnes	0 %
09.2615	ex 2934 99 90	70	Ribonucleic acid	1.1.-	110 tonnes	0 %

				31.12.		
09.2945	ex 2940 00 00	20	D-Xylose	1.1.- 31.12.	400 tonnes	0 %
09.2908	ex 3804 00 00	10	Sodium lignosulphonate	1.1.- 31.12.	40 000 tonnes	0 %
09.2889	3805 10 90		Sulphate turpentine	1.1.- 31.12.	20 000 tonnes	0 %
09.2935	ex 3806 10 00	10	Rosin and resin acids obtained from fresh oleoresins	1.1.- 31.12.	280 000 tonnes	0 %
09.2814	ex 3815 90 90	76	Catalyst consisting of titanium dioxide and tungsten trioxide	1.1.- 31.12.	2 200 tonnes	0 %
09.2829	ex 3824 90 97	19	Solid extract of the residual, insoluble in aliphatic solvents, obtained during the extraction of rosin from wood, having the following characteristics: — a resin acid content not exceeding 30 % by weight, — an acid number not exceeding 110 and — a melting point of 100° C or more	1.1.- 31.12.	1 600 tonnes	0 %
09.2986	ex 3824 90 97	76	Mixture of tertiary amines containing: — 60 % by weight of dodecyldimethylamine, or more — 20 % by weight of dimethyl(tetradecyl)amine, or more — 0.5 % by weight of hexadecyldimethylamine, or more, for use in the production of amine oxides (1)	1.1.- 31.12.	14 315 tonnes	0 %
09.2907	ex 3824 90 97	86	Mixture of phytosterols, in the form of powder, containing by weight: — 75 % or more of sterols, — not more than 25 % of stanols for use in the manufacture of stanols/sterols or stanol/sterol esters (1)	1.1.- 31.12.	2 500 tonnes	0 %
09.2140	ex 3824 90 97	98	Mixture of tertiary amines containing by weight: — 2.0-4.0 % of N,N-dimethyl-1-octanamine — 94 % minimum of N,N-dimethyl-1-decanamine	1.1.- 31.12.	4 500 tonnes	0 %

			— 2 % maximum of N,N-dimethyl-1-dodecanamine			
09.2992	ex 3902 30 00	93	Propylene-butylene copolymer, containing by weight 60 % or more but not more than 68 % of propylene and 32 % or more but not more than 40 % of butylene, of a melt viscosity of not more than 3 000 mPa at 190° C, as determined by the ASTM D 3236 method, for use as an adhesive in the manufacture of products falling within subheading 4818 40 (1)	1.1.- 31.12.	1 000 tonnes	0 %
*09.2947	ex 3904 69 80	95	Poly(vinylidene fluoride), in powder form, for the preparation of paint or varnish for coating metal (1)	1.1.- 31.12.	1 300 tonnes	0 %
*09.2639	3905 30 00		Poly(vinyl alcohol)	1.1.- 31.12.	18 000 tonnes	0 %
*09.2640	ex 3905 99 90	91	Polyvinyl butyral	1.1.- 31.12.	8 000 tonnes	0 %
09.2616	ex 3910 00 00	30	Polydimethylsiloxane with a degree of polymerisation of 2800 monomer units (± 100)	1.1.- 31.12.	1 300 tonnes	0 %
*09.2816	ex 3912 11 00	20	Cellulose acetate flakes	1.1.- 31.12.	58 500 tonnes	0 %
*09.2641	ex 3913 90 00	87	Sodium hyaluronate, non sterile, with: — a weight average molecular weight (M_w) of not more than 900 000, — an endotoxin level of not more than 0,008 Endotoxin units (EU)/mg, — an ethanol content of not more than 1 % by weight, — an isopropanol content of not more than 0,5 % by weight	1.1.- 31.12.	200 kg	0 %
09.2813	ex 3920 91 00	94	Co-extruded trilayer poly(vinyl butyral) film without a graduated colour band containing by weight 29 % or more but not more than 31 % of 2,2'-ethylenedioxydiethyl bis(2-ethylhexanoate) as a plasticiser	1.1.- 31.12.	2 000 000 m ²	0 %
09.2818	ex 6902 90 00	10	Refractory bricks with — an edge length of more than 300mm and — a TiO ₂ content of not more than 1 % by weight and — a Al ₂ O ₃ content of not more than 0.4 % by weight and — a change in volume of less than 9 % at 1700° C	1.1.- 31.12.	75 tonnes	0 %
09.2815	ex 6909 19 00	70	Supports for catalysts or filters, consisting of porous ceramics made primarily from oxides of aluminium and titanium; with a total volume of not more than 65 litres and at least one duct (open on one or both ends) per cm ² of cross section	1.1.- 31.12.	380 000 units	0 %

09.2628	ex 7019 52 00	10	Glass web woven from glass fibre coated in plastic, of a weight of 120 g/m ² (± 10 g/m ²), of a type used in rolling insect screens with fixed frames	1.1.- 31.12.	350 000 m ²	0 %
09.2799	ex 7202 49 90	10	Ferro-chromium containing 1.5 % or more but not more than 4 % by weight of carbon and not more than 70 % of chromium	1.1.- 31.12.	50 000 tonnes	0 %
09.2629	ex 7616 99 90	85	Aluminium telescopic handle for use in the manufacture of luggage (1)	1.1.- 31.12.	240 000 units	0 %
*09.2636	ex 8411 82 80	20	64 MW industrial aero-derivative gas turbine engines for incorporation into industrial power generation sets for peaking/mid-merit duty operating less than 5 500 hours per year and with a simple-cycle efficiency of greater than 40 %	1.1.- 31.12.	10 units	0 %
09.2763	ex 8501 40 80	30	Electric AC commutator motor, single-phase, with an output of more than 750 W, an input power of more than 1 600 W but not more than 2 700 W, an external diameter of more than 120 mm (± 0,2 mm) but not more than 135 mm (± 0,2 mm), a rated speed of more than 30 000 rpm but not more than 50 000 rpm, equipped with air-inducting ventilator, for use in the manufacture of vacuum cleaners (1)	1.1.- 31.12.	2 000 000 units	0 %
*09.2642	ex 8501 40 80	40	Assembly, consisting of — a single-phase electric AC commutator motor, with an output of 480 W or more, but not more than 1 400 W, an input power of more than 900 W but not more than 1 600 W, an external diameter of more than 119,8 mm but not more than 135,2 mm and a rated speed of more than 30 000 rpm but not more than 50 000 rpm, and — an air-inducting ventilator, for use in the manufacture of vacuum cleaners (1)	1.1.- 31.12.	120 000 units	0 %
*09.2633	ex 8504 40 82	20	Electric adapter, with a capacity of not more than 1 kVA, for use in the manufacture of hair removal apparatus (1)	1.1.- 31.12.	4 500 000 units	0 %
*09.2643	ex 8504 40 82	30	Power supply boards for use in the manufacture of goods falling under heading 8521 and 8528 (1)	1.1.- 31.12.	1 038 000 units	0 %
09.2620	ex 8526 91 20	20	Assembly for GPS system having a position determination function	1.1.- 31.12.	3 000 000 units	0 %
09.2003	ex 8543 70 90	63	Voltage controlled frequency generator, consisting of active and passive elements mounted on a printed circuit, contained in a housing with dimensions of not more than 30 x 30 mm	1.1.- 31.12.	1 400 000 units	0 %
*09.2635	ex 9001 10 90	20	Optical fibres for the manufacture of glass fibre cables under heading 8544 (1)	1.1.- 31.12.	2 600 000 km	0 %
09.2631	ex 9001 90 00	80	Unmounted glass lenses, prisms and cemented elements for use in the manufacture of goods of CN codes 9005, 9013 and 9015 (1)	1.1.- 31.12.	5 000 000 units	0 %

(1) The relief from or reduction of customs duties shall be subject to the conditions laid down in the relevant Union provisions with a view to customs control of the use of such goods (see Articles 291 to 300 of Commission Regulation (EEC) No 2454/93 (OJ L 253, 11. 10. 1993, p. 1)).

(2) However, the measure is not allowed where processing is carried out by retail or catering undertakings.

* New or amended position

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**LEGISLATIVE FINANCIAL STATEMENT FOR PROPOSALS HAVING A
BUDGETARY IMPACT EXCLUSIVELY LIMITED TO THE REVENUE SIDE**

1. NAME OF THE PROPOSAL:

Council Regulation amending Regulation (EC) No 7/2010 opening and providing for the management of autonomous tariff quotas of the Union for certain agricultural and industrial products

2. BUDGET LINES

Chapter and Article: Chapter 12, Article 120

Amount budgeted for the year 2010: **€14 079 700 000 €**

Amount budgeted for the year 2011: **€14 079 700 000 €(DB 2011)**

3. FINANCIAL IMPACT

Proposal has no financial implications

Proposal has no financial impact on expenditure but has a financial impact on revenue – the effect is as follows:

(€million to one decimal place)

Budget line	Revenue ³	6 month period, starting 01/07/2010	[2011]
Article 120	<i>Impact on own resources</i>	- 0.2	- 9.2

³ Regarding traditional own resources (agricultural duties, sugar levies, customs duties) the amounts indicated must be net amounts, i.e. gross amounts after deduction of 25 % of collection costs

ANNEX I

Effective from 1. 7.2010:

Tariff quotas referred to in Article 2

Description of product	Quota amount (unit/tonnes)	Estimated price (€per t, km)	Duty (%) (2011 CCT)	Quota duty (%)	Expected loss of revenue (in €)
ACN 09.2977	+ 10 000 tonnes (initial amount: 30 000 tonnes)	900	2.9	0	261 000
Optical fibres 09.2635	+ 150 000 km (initial amount: 1 150 000 km)	6.66	2.9	0	28 971

Total loss of revenue:
(€289 971 – €72 493) = €217 478 net.

ANNEX II

Effective from 1. 1.2011:

Tariff quotas referred to in Article 3

Description of product	Variation in quota amount (tonnes/g)	Estimated price (€ per tonne/kg/unit)	Duty (%) (2011 CCT)	Quota duty (%)	Expected variation in the loss of revenue in relation to the previous quota period (in €)
09.2638 Acetic acid	+ 500 tonnes (initial amount: 0 tonnes)	260 000 €/t	5.5	0	7 150 000
09.2639 Alcohol	+ 18 000 tonnes (initial amount: 0 tonnes)	1 825 €/t	6.5	0	2 135 250
09.2640 Butyral	+ 500 tonnes (initial amount: 0 tonnes)	3 580 €/t	6.5	0	116 350
09.2641 Hyaluronate	+ 200 kg (initial amount: 0 tonnes)	173 081 €/kg	6.5	0	2 250 053
09.2642 Assembly	+ 120 000 u (initial amount: 0 u)	6.76 €/u	2.7	0	21 902
09.2643 Board	+ 1 038 000 u (initial amount: 0 u)	17.50 €/u	3.3	0	599 445

Total loss of revenue in relation to previous quota period:
(€12 273 000 – €3 068 250) = €9 204 750 net.

4. ANTI-FRAUD MEASURES

Provisions on the management of tariff quotas include the measures needed to prevent and protect against frauds and irregularities.

5. OTHER REMARKS