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Legislation

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I

(Acts whose publication is obligatory)

**COMMISSION REGULATION (EC) No 1198/2001
of 19 June 2001
establishing the standard import values for determining the entry price of certain fruit and
vegetables**

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Community,

Having regard to Commission Regulation (EC) No 3223/94 of 21 December 1994 on detailed rules for the application of the import arrangements for fruit and vegetables ⁽¹⁾, as last amended by Regulation (EC) No 1498/98 ⁽²⁾, and in particular Article 4(1) thereof,

Whereas:

- (1) Regulation (EC) No 3223/94 lays down, pursuant to the outcome of the Uruguay Round multilateral trade negotiations, the criteria whereby the Commission fixes the standard values for imports from third countries, in respect of the products and periods stipulated in the Annex thereto.

- (2) In compliance with the above criteria, the standard import values must be fixed at the levels set out in the Annex to this Regulation,

HAS ADOPTED THIS REGULATION:

Article 1

The standard import values referred to in Article 4 of Regulation (EC) No 3223/94 shall be fixed as indicated in the Annex hereto.

Article 2

This Regulation shall enter into force on 20 June 2001.

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

Done at Brussels, 19 June 2001.

For the Commission

Franz FISCHLER

Member of the Commission

⁽¹⁾ OJ L 337, 24.12.1994, p. 66.

⁽²⁾ OJ L 198, 15.7.1998, p. 4.

ANNEX

to the Commission Regulation of 19 June 2001 establishing the standard import values for determining the entry price of certain fruit and vegetables

(EUR/100 kg)

CN code	Third country code ⁽¹⁾	Standard import value
0702 00 00	052	82,8
	999	82,8
0707 00 05	052	81,2
	999	81,2
0709 90 70	052	81,4
	204	50,7
	388	70,2
	624	86,4
	999	72,2
0805 30 10	388	71,5
	528	89,4
	999	80,5
0808 10 20, 0808 10 50, 0808 10 90	388	92,8
	400	106,7
	404	117,2
	508	81,6
	512	89,4
	524	65,5
	528	83,0
	720	140,9
	804	106,0
	999	98,1
	052	217,2
0809 10 00	999	217,2
	052	333,7
0809 20 95	064	209,8
	400	285,4
	616	287,5
	999	279,1

⁽¹⁾ Country nomenclature as fixed by Commission Regulation (EC) No 2032/2000 (OJ L 243, 28.9.2000, p. 14). Code '999' stands for 'of other origin'.

COMMISSION REGULATION (EC) No 1199/2001

of 19 June 2001

definitively fixing the aid for unginned cotton from 1 September 2000 to 31 March 2001 for the 2000/01 marketing year

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Community,

Having regard to the Act of Accession of Greece, and in particular paragraph 10 of Protocol 4 on cotton, as last amended by Council Regulation (EC) No 1553/95 ⁽¹⁾,

Having regard to Council Regulation (EC) No 1554/95 of 29 June 1995 laying down the general rules for the system of aid for cotton and repealing Regulation (EEC) No 2169/81 ⁽²⁾, as last amended by Regulation (EC) No 1419/98 ⁽³⁾, and in particular Article 5(1) thereof,

Whereas:

(1) Under Article 3 of Regulation (EC) No 1554/95, the world market price for unginned cotton is fixed periodically during the marketing year.

(2) Commission Regulation (EC) No 1183/2001 ⁽⁴⁾ fixes actual production of unginned cotton, the amount by which the guide price is to be reduced and the increase in the aid for the 2000/01 marketing year.

⁽¹⁾ OJ L 148, 30.6.1995, p. 45.

⁽²⁾ OJ L 148, 30.6.1995, p. 48.

⁽³⁾ OJ L 190, 4.7.1998, p. 4.

⁽⁴⁾ OJ L 161, 16.6.2001, p. 21.

(3) Article 5(1) of Commission Regulation (EEC) No 1201/89 of 3 May 1989 laying down rules implementing the system of aid for cotton ⁽⁵⁾, as last amended by Regulation (EC) No 1624/1999 ⁽⁶⁾, provides for the aid for unginned cotton applicable to each period for which a world market price has been determined to be fixed before 15 July.

(4) The aid for the 2000/01 marketing year should accordingly be fixed definitively at the levels indicated below,

HAS ADOPTED THIS REGULATION:

Article 1

The amounts of the aid for unginned cotton corresponding to the world prices fixed in Commission Regulations (EC) Nos 1857/2000 ⁽⁷⁾, 1918/2000 ⁽⁸⁾, 1991/2000 ⁽⁹⁾, 2060/2000 ⁽¹⁰⁾, 2248/2000 ⁽¹¹⁾, 2340/2000 ⁽¹²⁾, 2430/2000 ⁽¹³⁾, 2487/2000 ⁽¹⁴⁾, 2558/2000 ⁽¹⁵⁾, 2626/2000 ⁽¹⁶⁾, 2694/2000 ⁽¹⁷⁾, 2761/2000 ⁽¹⁸⁾, 2799/2000 ⁽¹⁹⁾, 2828/2000 ⁽²⁰⁾, 17/2001 ⁽²¹⁾, 43/2001 ⁽²²⁾, 119/2001 ⁽²³⁾, 210/2001 ⁽²⁴⁾, 286/2001 ⁽²⁵⁾, 342/2001 ⁽²⁶⁾, 405/2001 ⁽²⁷⁾, 487/2001 ⁽²⁸⁾, 550/2001 ⁽²⁹⁾ and 570/2001 ⁽³⁰⁾ shall be as set out in the Annex hereto. Those amounts shall be fixed definitively from the entry into force of each of the Regulations concerned.

⁽⁵⁾ OJ L 123, 4.5.1989, p. 23.

⁽⁶⁾ OJ L 192, 24.7.1999, p. 39.

⁽⁷⁾ OJ L 221, 1.9.2000, p. 6.

⁽⁸⁾ OJ L 229, 9.9.2000, p. 27.

⁽⁹⁾ OJ L 237, 21.9.2000, p. 43.

⁽¹⁰⁾ OJ L 246, 30.9.2000, p. 8.

⁽¹¹⁾ OJ L 257, 11.10.2000, p. 19.

⁽¹²⁾ OJ L 269, 21.10.2000, p. 32.

⁽¹³⁾ OJ L 279, 1.11.2000, p. 26.

⁽¹⁴⁾ OJ L 286, 11.11.2000, p. 35.

⁽¹⁵⁾ OJ L 292, 21.11.2000, p. 28.

⁽¹⁶⁾ OJ L 302, 1.12.2000, p. 26.

⁽¹⁷⁾ OJ L 309, 9.12.2000, p. 10.

⁽¹⁸⁾ OJ L 318, 16.12.2000, p. 29.

⁽¹⁹⁾ OJ L 324, 21.12.2000, p. 31.

⁽²⁰⁾ OJ L 328, 23.12.2000, p. 9.

⁽²¹⁾ OJ L 2, 5.1.2001, p. 19.

⁽²²⁾ OJ L 6, 11.1.2001, p. 8.

⁽²³⁾ OJ L 19, 20.1.2001, p. 20.

⁽²⁴⁾ OJ L 30, 1.2.2001, p. 36.

⁽²⁵⁾ OJ L 41, 10.2.2001, p. 28.

⁽²⁶⁾ OJ L 50, 21.2.2001, p. 5.

⁽²⁷⁾ OJ L 60, 1.3.2001, p. 14.

⁽²⁸⁾ OJ L 69, 10.3.2001, p. 13.

⁽²⁹⁾ OJ L 81, 21.3.2001, p. 28.

⁽³⁰⁾ OJ L 84, 23.3.2001, p. 21.

Article 2

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

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

Done at Brussels, 19 June 2001.

For the Commission

Franz FISCHLER

Member of the Commission

ANNEX

AID FOR UNGINNED COTTON

(EUR/100 kg)

Regulation (EC) No	Aid amount		
	Spain	Greece	Portugal
1857/2000	62,986	42,576	69,045
1918/2000	61,676	41,266	67,735
1991/2000	61,539	41,129	67,598
2060/2000	63,240	42,830	69,299
2248/2000	62,843	42,433	68,902
2340/2000	61,260	40,850	67,319
2430/2000	61,079	40,669	67,138
2487/2000	60,074	39,664	66,133
2558/2000	59,621	39,211	65,680
2626/2000	59,352	38,942	65,411
2694/2000	60,692	40,282	66,751
2761/2000	60,105	39,695	66,164
2799/2000	60,393	39,983	66,452
2828/2000	61,452	41,042	67,511
17/2001	63,580	43,170	69,639
43/2000	63,334	42,924	69,393
119/2001	63,746	43,336	69,805
210/2001	63,305	42,895	69,364
286/2001	64,447	44,037	70,506
342/2001	65,092	44,682	71,151
405/2001	66,279	45,869	72,338
487/2001	67,372	46,962	73,431
550/2001	68,041	47,631	74,100
570/2001	70,770	50,360	76,829

COMMISSION REGULATION (EC) No 1200/2001
of 19 June 2001
concerning the classification of certain goods in the Combined Nomenclature

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Community,

Having regard to Council Regulation (EEC) No 2658/87 of 23 July 1987 on the tariff and statistical nomenclature and on the Common Customs Tariff ⁽¹⁾, as last amended by Regulation (EC) No 2559/2000 ⁽²⁾, and in particular Article 9 thereof,

Whereas:

- (1) In order to ensure uniform application of the Combined Nomenclature annexed to the said Regulation, it is necessary to adopt measures concerning the classification of the goods referred to in the Annex to this Regulation.
- (2) Regulation (EEC) No 2658/87 has set down the general rules for the interpretation of the Combined Nomenclature. Those rules also apply to any other nomenclature which is wholly or partly based on it or which adds any additional subdivision to it and which is established by specific Community provisions, with a view to the application of tariff and other measures relating to trade in goods.
- (3) Pursuant to the said general rules, the goods described in column 1 of the table annexed to the present Regulation must be classified under the CN codes indicated in column 2, by virtue of the reasons set out in column 3.
- (4) It is appropriate that binding tariff information issued by the customs authorities of Member States in respect of the classification of goods in the Combined Nomenclature and which does not conform to the provisions of

this Regulation, can continue to be invoked, under the provisions in Article 12(6) of Council Regulation (EEC) No 2913/92 of 12 October 1992 establishing the Community Customs Code ⁽³⁾, as last amended by European Parliament and Council Regulation (EC) No 2700/2000 ⁽⁴⁾, for a period of three months by the holder.

- (5) The measures provided for in this Regulation are in accordance with the opinion of the Customs Code Committee,

HAS ADOPTED THIS REGULATION:

Article 1

The goods described in column 1 of the annexed table are classified within the Combined Nomenclature under the CN codes indicated in column 2 of the said table.

Article 2

Binding tariff information issued by the customs authorities of Member States which does not conform to the provisions of this Regulation can continue to be invoked under the provisions of Article 12(6) of Regulation (EEC) No 2913/92 for a period of three months.

Article 3

This Regulation shall enter into force on the 20th day following its publication in the *Official Journal of the European Communities*.

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

Done at Brussels, 19 June 2001.

For the Commission

Frederik BOLKESTEIN

Member of the Commission

⁽¹⁾ OJ L 256, 7.9.1987, p. 1.

⁽²⁾ OJ L 293, 22.11.2000, p. 1.

⁽³⁾ OJ L 302, 19.10.1992, p. 1.

⁽⁴⁾ OJ L 311, 12.12.2000, p. 17.

ANNEX

Description of goods	CN code	Reasons
(1)	(2)	(3)
Zinc in the form of balls with a diameter of approximately 5 cm, containing by weight 97,5 % or more but less than 98,5 % of zinc, with a rough surface	7901 12 90	Classification is determined by the provisions of General Rules 1 and 6 for the interpretation of the Combined Nomenclature, and the wording of CN codes 7901, 7901 12 and 7901 12 90 The lack of features identifying them as anodes, such as being fitted with hooks or prepared for hooks or any other feature, exclude classification under heading 7907 (see also the HS Explanatory Notes to heading 7907, point 9)
Zinc in the form of pieces of 2 to 2,5 cm length, containing by weight 97,5 % or more but less than 98,5 % of zinc, with an irregular fracture surface, made by cutting of bars, rods or profiles	7901 12 90	Classification is determined by the provisions of General Rules 1 and 6 for the interpretation of the Combined Nomenclature, and the wording of CN codes 7901, 7901 12 and 7901 12 90 The lack of features identifying them as anodes, such as being fitted with hooks or prepared for hooks or any other feature, exclude classification under heading 7907 (see also the HS Explanatory Notes to heading 7907, point 9)

COMMISSION REGULATION (EC) No 1201/2001
of 18 June 2001
concerning the classification of certain goods in the Combined Nomenclature

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Community,

Having regard to Council Regulation (EEC) No 2658/87 of 23 July 1987 on the tariff and statistical nomenclature and on the Common Customs Tariff ⁽¹⁾, as last amended by Regulation (EC) No 2559/2000 ⁽²⁾, and in particular Article 9 thereof,

Whereas:

- (1) In order to ensure uniform application of the Combined Nomenclature annexed to the said Regulation, it is necessary to adopt measures concerning the classification of the goods referred to in the Annex to this Regulation.
- (2) Regulation (EEC) No 2658/87 has set down the general rules for the interpretation of the Combined Nomenclature. Those rules also apply to any other nomenclature which is wholly or partly based on it or which adds any additional subdivision to it and which is established by specific Community provisions, with a view to the application of tariff and other measures relating to trade in goods.
- (3) Pursuant to the said general rules, the goods described in column 1 of the table annexed to the present Regulation must be classified under the CN codes indicated in column 2, by virtue of the reasons set out in column 3.
- (4) It is appropriate that binding tariff information issued by the customs authorities of Member States in respect of the classification of goods in the Combined Nomenclature and which does not conform to the provisions of

this Regulation, can continue to be invoked, under the provisions in Article 12(6) of Council Regulation (EEC) No 2913/92 of 12 October 1992 establishing the Community Customs Code ⁽³⁾, as last amended by European Parliament and Council Regulation (EC) No 2700/2000 ⁽⁴⁾, for a period of three months by the holder.

- (5) The measures provided for in this Regulation are in accordance with the opinion of the Customs Code Committee,

HAS ADOPTED THIS REGULATION:

Article 1

The goods described in column 1 of the annexed table are classified within the Combined Nomenclature under the CN codes indicated in column 2 of the said table.

Article 2

Binding tariff information issued by the customs authorities of Member States which does not conform to the provisions of this Regulation can continue to be invoked under the provisions of Article 12(6) of Regulation (EEC) No 2913/92 for a period of three months.

Article 3

This Regulation shall enter into force on the 20th day following its publication in the *Official Journal of the European Communities*.

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

Done at Brussels, 18 June 2001.

For the Commission

Frederik BOLKESTEIN

Member of the Commission

⁽¹⁾ OJ L 256, 7.9.1987, p. 1.

⁽²⁾ OJ L 293, 22.11.2000, p. 1.

⁽³⁾ OJ L 302, 19.10.1992, p. 1.

⁽⁴⁾ OJ L 311, 12.12.2000, p. 17.

ANNEX

Description of goods	CN code	Reasons
(1)	(2)	(3)
A preparation consisting of a suspension of zinc pyrithione (fungicide substance) in water and containing (percentage by weight): — zinc pyrithione: 24-26 — water: 75-77 — antimicrobial preservatives: 0,5 — a surface active agent: 0,1 The preparation is presented in bulk and used at different concentrations as the active ingredient (fungicide) in different products	3808 20 80	Classification is determined by the provisions of General Rules 1 and 6 for the interpretation of the Combined Nomenclature, by Note 1 to Chapter 29 and by the wording of CN codes 3808, 3808 20 and 3808 20 80 See also the HS Explanatory Note to Heading 38.08 The preparation cannot be classified in Chapter 29 because it is presented in the form of a suspension of an active substance (zinc pyrithione). It is not put up for specific use but for general use and has the characteristics of a fungicide. It is not intended for therapeutic or prophylactic use, within the meaning of Chapter 30
Article made from sheets of non-cellular plastic. Dimensions are approximately 109 cm in length, 45 cm in width and 15 cm in depth. The product has one transparent side, a full zip closure and folds out to form a large box shape. It is used, for example, for the storage of clothing or household linen	3926 90 91	Classification is determined by the provisions of General Rules 1 and 6 for the interpretation of the Combined Nomenclature and by the wording of CN codes 3926, 3926 90 and 3926 90 91 This flexible and folding article is used for the storage of goods and not for the conveyance or packing of goods

COMMISSION REGULATION (EC) No 1202/2001**of 19 June 2001****amending Regulation (EC) No 174/1999 laying down special detailed rules for the application of Council Regulation (EEC) No 804/68 as regards export licences and export refunds in the case of milk and milk products**

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Community,

Having regard to Council Regulation (EC) No 1255/1999 of 17 May 1999 on the common organisation of the market in milk and milk products ⁽¹⁾, as last amended by Regulation (EC) No 1670/2000 ⁽²⁾, and in particular Articles 30(1) and 31(3) thereof,

Whereas:

- (1) Article 20a of Commission Regulation (EC) No 174/1999 ⁽³⁾, as last amended by Regulation (EC) No 806/2001 ⁽⁴⁾, lays down the provisions applicable to the management of the milk powder quota for export to the Dominican Republic under the Memorandum of Understanding concluded between the European Community and the Dominican Republic and approved by Council Decision 98/486/EC ⁽⁵⁾. The scope of the provision on the period of validity of export licences issued under that quota should be clarified.

- (2) The measures provided for in this Regulation are in accordance with the opinion of the Management Committee for Milk and Milk Products,

HAS ADOPTED THIS REGULATION:

Article 1

Article 20a(13) of Regulation (EC) No 174/1999 is replaced by the following text:

‘13. Notwithstanding Article 6, export licences shall be valid from their actual day of issue within the meaning of Article 23(2) of Regulation (EC) No 1291/2000 until 30 June of the quota year for which the licence application was made.’

Article 2

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

It shall apply to licences issued from 1 June 2001.

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

Done at Brussels, 19 June 2001.

For the Commission

Franz FISCHLER

Member of the Commission

⁽¹⁾ OJ L 160, 26.6.1999, p. 48.

⁽²⁾ OJ L 193, 29.7.2000, p. 10.

⁽³⁾ OJ L 20, 27.1.1999, p. 8.

⁽⁴⁾ OJ L 118, 27.4.2001, p. 4.

⁽⁵⁾ OJ L 218, 6.8.1998, p. 45.

COMMISSION REGULATION (EC) No 1203/2001**of 19 June 2001****opening crisis distillation as provided for in Article 30 of Council Regulation (EC) No 1493/1999
for table wines in France**

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Community,

Having regard to Council Regulation (EC) No 1493/1999 of 17 May 1999 on the common organisation of the market in wine ⁽¹⁾, as amended by Regulation (EC) No 2826/2000 ⁽²⁾, and in particular Articles 30 and 33 thereof,

Whereas:

- (1) Article 30 of Regulation (EC) No 1493/1999 provides for the possibility of opening crisis distillation in the event of exceptional market disturbance caused by major surpluses. Such measures may be limited to certain categories of wine and/or certain areas of production and may apply to quality wines *psr* at the request of the Member State.
- (2) The French Government has requested that crisis distillation be opened for table wines produced in France.
- (3) Production of table wine in France was 22,6 million hectolitres in 1997 and 21,1 million hectolitres in 1998. In 1999 the figure was 25,2 million hectolitres and in 2000 it was 23,02 million hectolitres.
- (4) Over that same period, table wine consumption in France remained relatively stable in the 1996/97 and 1997/98 wine years at around 18,3 million hectolitres, but fell in 1998/99 to 17,3 million hectolitres, which also appears to be the level of consumption for 1999/2000. By contrast, exports rose slightly between 1997 and 1999, but only exports to other Member States. Provisional figures for 2000 point to a fall in exports.
- (5) Stocks of table wine were 12,853 million hectolitres in 1997 and 12,086 million hectolitres in 1998. They fell to 10,85 million hectolitres in 1999. In 2000, they rose sharply to 14,07 million hectolitres. The fluctuation in stocks obviously varies widely from one department to the next, but it is very pronounced in departments with a large stock, with increases of between 47 % and 88 %. The growth in stocks has had a negative impact on prices, which have fallen by about 10 % to 17 % over the current wine year compared with the same period in the previous year.

- (6) In view of this situation, crisis distillation was opened for 800 000 hectolitres of wine by Commission Regulation (EC) No 25/2001 of 5 January 2001 opening crisis distillation as provided for in Article 30 of Regulation (EC) No 1493/1999 for table wines in France ⁽³⁾. It has been found that this volume is insufficient to reduce stocks of table wine to an acceptable level and rectify the difficult market situation.
- (7) Since the conditions laid down in Article 30(5) of Regulation (EC) No 1493/1999 are still satisfied, a further crisis distillation covering a maximum of 1,5 million hectolitres of table wine should be opened. The measure should apply for a limited period with a view to maximum effectiveness. No ceiling should be set on the quantity that individual producers can have distilled because stocks may vary substantially from one producer to another and depend more on sales than on the individual producer's annual output.
- (8) The mechanism to be introduced is that provided for by Commission Regulation (EC) No 1623/2000 of 25 July 2000 laying down detailed rules for implementing Regulation (EC) No 1493/1999 on the common organisation of the market in wine with regard to market mechanisms ⁽⁴⁾, as last amended by Regulation (EC) No 545/2001 ⁽⁵⁾. In addition to the Articles of that Regulation referring to the distillation measures provided for in Article 30 of Regulation (EC) No 1493/1999, other provisions of Regulation (EC) No 1623/2000 apply, in particular those concerning the delivery of alcohol to intervention agencies and the payment of an advance.
- (9) The price to be paid by distillers to producers should be set at a level that permits the solution of the problems faced by allowing producers to take advantage of this measure. That price should not, however, be such that it adversely affects the application of the distillation measure provided for by Article 29 of Regulation (EC) No 1493/1999.
- (10) The product of crisis distillation must be raw or neutral alcohol for compulsory delivery to the intervention agency in order to avoid disturbing the market for potable alcohol, which is supplied largely by distillation under Article 29 of Regulation (EC) No 1493/1999.

⁽¹⁾ OJ L 179, 14.7.1999, p. 1.

⁽²⁾ OJ L 328, 23.12.2000, p. 2.

⁽³⁾ OJ L 3, 6.1.2001, p. 11.

⁽⁴⁾ OJ L 194, 31.7.2000, p. 45.

⁽⁵⁾ OJ L 81, 21.3.2001, p. 21.

- (11) The measures provided for in this Regulation are in accordance with the opinion of the Management Committee for Wine,

HAS ADOPTED THIS REGULATION:

Article 1

Crisis distillation as provided for in Article 30 of Regulation (EC) No 1493/1999 is opened for a maximum of 1,5 million hectolitres of table wine in France.

Article 2

In addition to the provisions of Regulation (EC) No 1623/2000 referring to Article 30 of Regulation (EC) No 1493/1999, the following provisions of Regulation (EC) No 1623/2000 shall also apply to the measure provided for in this Regulation:

- Article 62(5) with respect to the payment by the intervention agency of the price referred to in Article 6(2) of this Regulation,
- Articles 66 and 67 with respect to the advance referred to in Article 6(2) of this Regulation.

Article 3

Producers may conclude contracts as provided for in Article 65 of Regulation (EC) No 1623/2000 from 21 June 2001 to 26 June 2001. Contracts shall be accompanied by proof that a security equal to EUR 5 per hectolitre has been lodged. Contracts may not be transferred.

Article 4

1. The Member State shall determine the rate of reduction to be applied to the above contracts where the overall quantity covered by contracts presented exceeds that laid down in Article 1.
2. The Member State shall adopt the administrative provisions necessary to approve the above contracts by 20 July 2001, shall specify the rate of reduction applied and the quantity of wine accepted per contract and shall stipulate that

the producer may cancel the contract where the quantity to be distilled is reduced. The Member State shall notify the Commission before 27 July 2001 of the quantities of such wine covered by approved contracts.

3. The wine shall be delivered to the distilleries by 15 October 2001. The alcohol obtained shall be delivered to the intervention agency by 31 January 2002.

4. Securities shall be released in proportion to the quantities delivered where the producer provides proof of delivery to the distillery.

5. The security shall be forfeit where no delivery is made within the time limit laid down.

6. The Member State may limit the number of contracts that individual producers may conclude under the distillation measure.

Article 5

The minimum price paid for wine delivered for distillation under this Regulation shall be EUR 1,914 per % vol per hectolitre.

Article 6

1. Distillers shall deliver the product obtained from distillation to the intervention agency. That product shall be of an alcoholic strength of at least 92 % vol.

2. The price to be paid to the distiller by the intervention agency for raw alcohol delivered shall be EUR 2,2812 per % vol per hectolitre. The distiller may receive an advance on that amount of EUR 1,1222 per % vol per hectolitre. The advance shall in that case be deducted from the price actually paid.

Article 7

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

It shall apply from 21 June 2001.

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

Done at Brussels, 19 June 2001.

For the Commission

Franz FISCHLER

Member of the Commission

COMMISSION REGULATION (EC) No 1204/2001**of 19 June 2001****amending Regulation (EC) No 2789/98 derogating temporarily from Regulation (EC) No 1445/95 on rules of application for import and export licences in the beef and veal sector**

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Community,

Having regard to Council Regulation (EC) No 1254/1999 of 17 May 1999 on the common organisation of the market in beef and veal ⁽¹⁾, and in particular Article 29(2) thereof,

Whereas:

- (1) Commission Regulation (EC) No 2789/98 ⁽²⁾, as last amended by Regulation (EC) No 2771/2000 ⁽³⁾, grants a temporary derogation from Commission Regulation (EC) No 1445/95 ⁽⁴⁾, as last amended by Regulation (EC) No 24/2001 ⁽⁵⁾, on rules of application for import and export licences in the beef and veal sector.
- (2) In view of the general economic conditions applying to exports of beef and veal, certain conditions which have been temporarily relaxed, in particular as regards the period of validity of export licences with advance fixing of the refund and the application of Article 10(5) of Regulation (EC) No 1445/95 to products covered by CN code 0202, may be maintained. The period of validity of

Regulation (EC) No 2789/98 should therefore be extended.

- (3) The measures provided for in this Regulation are in accordance with the opinion of the Management Committee for Beef and Veal,

HAS ADOPTED THIS REGULATION:

Article 1

The second paragraph of Article 2 of Regulation (EC) No 2789/98 is replaced by the following:

'It shall apply to applications for export licences with advance fixing of the refund from the date of entry into force of this Regulation until 31 December 2001.'

Article 2

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

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

Done at Brussels, 19 June 2001.

For the Commission

Franz FISCHLER

Member of the Commission

⁽¹⁾ OJ L 160, 26.6.1999, p. 21.

⁽²⁾ OJ L 347, 23.12.1998, p. 33.

⁽³⁾ OJ L 321, 19.12.2000, p. 34.

⁽⁴⁾ OJ L 143, 27.6.1995, p. 35.

⁽⁵⁾ OJ L 3, 6.1.2001, p. 9.

COMMISSION REGULATION (EC) No 1205/2001**of 19 June 2001****amending, for the first time, Council Regulation (EC) No 2488/2000 maintaining a freeze of funds in relation to Mr Milosevic and those persons associated with him**

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Community,

Having regard to Council Regulation (EC) No 2488/2000 of 10 November 2000 maintaining a freeze of funds in relation to Mr Milosevic and those persons associated with him and repealing Regulations (EC) No 1294/1999 and (EC) No 607/2000 and Article 2 of Regulation (EC) No 926/98 ⁽¹⁾, and in particular Article 4(2)(a) thereof,

Whereas:

- (1) In accordance with Article 1 of Regulation (EC) No 2488/2000 all funds and other financial resources held outside the Federal Republic of Yugoslavia belonging to Mr Milosevic and to natural persons associated with him, are to be frozen and such funds and financial resources are not to be made available to or for the benefit of these persons, as listed in Annex I to the Regulation. The Commission is empowered to amend that Annex, taking into account decisions implementing Common Position 2000/696/CFSP ⁽²⁾.

- (2) By means of Common Position 2001/155/CFSP ⁽³⁾, the Council amended the provisions of its Common Position 2000/696/CFSP as regards the ban on admission to the European Union. It is, therefore, appropriate to amend Regulation (EC) No 2488/2000.

- (3) The measures provided for in this Regulation are in accordance with the opinion of the Management Committee referred to in Article 5 of Regulation (EC) No 2488/2000,

HAS ADOPTED THIS REGULATION:

Article 1

Annex I to Regulation (EC) No 2488/2000 is replaced by the text in the Annex to this Regulation.

Article 2

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

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

Done at Brussels, 19 June 2001.

For the Commission

Christopher PATTEN

Member of the Commission

⁽¹⁾ OJ L 287, 14.11.2000, p. 19.

⁽²⁾ OJ L 287, 14.11.2000, p. 1.

⁽³⁾ OJ L 57, 27.2.2001, p. 3.

ANNEX

ANNEX I

Milosevic, Slobodan	Former President of the Federal Republic of Yugoslavia, born at Pozarevac, Republic of Serbia, on 20 August 1941
Gajic-Milosevic, Milica	Daughter-in-law, born 1970
Markovic, Mirjana	Wife, born on 10 July 1942
Milosevic, Borislav	Brother, born 1936
Milosevic, Marija	Daughter, born 1965
Milosevic, Marko	Son, born on 2 July 1974
Milutinovic, Milan	President of Serbia, born at Belgrade, Republic of Serbia, on 19 December 1942
Ojdanic, Dragoljub	Former Minister of Defence, born at Ravni, Republic of Serbia, on 1 June 1941
Sainovic, Nikola	Former Deputy Prime Minister, born at Bor, Republic of Serbia, on 7 December 1948
Stojilkovic, Vlado	Former Minister of the Interior, born at Mala Krsna, Republic of Serbia, in 1937
Mrksic, Mile	Indicted by International Criminal Tribunal for former Yugoslavia (IT-95-13a), born near Vrginmost, Croatia, on 20 July 1947
Radic, Miroslav	Indicted by International Criminal Tribunal for former Yugoslavia (IT-95-13a), born on 1 January 1961
Sljivancanin, Veselin	Indicted by International Criminal Tribunal for former Yugoslavia (IT-95-13a), born near Zabljak, Republic of Montenegro, on 13 June 1953

II

(Acts whose publication is not obligatory)

COUNCIL

**DECISION No 4/2001 OF THE EU-LATVIA ASSOCIATION COUNCIL
of 20 March 2001**

adopting the implementing rules for the application of the provisions on State aid referred to in Article 64(1)(iii) and (2) pursuant to Article 64(3) of the Europe Agreement establishing an association between the European Communities and their Member States, of the one part, and the Republic of Latvia, of the other part

(2001/464/EC)

THE ASSOCIATION COUNCIL,

Having regard to the Europe Agreement establishing an association between the European Communities and their Member States, of the one part, and the Republic of Latvia, of the other part, and in particular Article 64(3) thereof,

Whereas:

- (1) Article 64(3) of the Europe Agreement lays down that the Association Council shall, by 31 December 1997, adopt by decision the necessary rules for the implementation of paragraphs 1 and 2 of that Article.
- (2) It is recalled that in accordance with Article 64(2) of the Europe Agreement, the concept of 'public aid' as contained in Article 64(1)(iii) of the Europe Agreement is to be assessed on the basis of criteria arising from the application of the rules of Article 87 of the Treaty establishing the European Community, and thus covers any aid granted by the State or through State resources in any form whatsoever which distorts or threatens to distort competition by favouring certain undertakings or the production of certain goods, insofar as it may affect trade between the European Community and the Republic of Latvia (State aid).
- (3) The Republic of Latvia will appoint a national institution or administration to become a monitoring authority with responsibility for State aid matters.
- (4) This monitoring authority will be responsible for the analysis of existing and future individual aid awards and programmes in the Republic of Latvia and will give an opinion as to their compatibility with Article 64(1)(iii) and (2) of the Europe Agreement.

- (5) The Republic of Latvia will, when providing for the necessary rules to ensure effective supervision, ensure in particular that the monitoring authority receives in due time all the relevant information from the other government departments at central, regional and local level.
- (6) The Commission of the European Communities will, under the relevant Community programmes, assist the monitoring authority by providing for documentation, training, study tours and other relevant technical assistance,

HAS DECIDED AS FOLLOWS:

Article 1

The Implementing Rules for the application of the provisions on State aid referred to in Article 64(1)(iii) and (2) pursuant to Article 64(3) of the Europe Agreement establishing an association between the European Communities and their Member States, of the one part, and the Republic of Latvia of the other part, are hereby adopted.

Article 2

These Implementing Rules shall enter into force on the first day of the month following the adoption of the rules.

Done at Brussels, 20 March 2001.

For the Association Council

The President

I. BĒRZIŅŠ

IMPLEMENTING RULES

for the application of the provisions on State aid referred to in Article 64(1)(iii) and (2) pursuant to Article 64(3) of the Europe Agreement establishing an association between the European Communities and their Member States, of the one part, and the Republic of Latvia, of the other part

SURVEILLANCE OF STATE AID BY MONITORING AUTHORITIES

Article 1

Surveillance of State aid by monitoring authorities

Subject to the procedural rules in force in the European Community ('the Community') and the Republic of Latvia, the granting of State aid shall be surveyed and assessed as to its compatibility with the Europe Agreement by the responsible monitoring authorities in the Community and the Republic of Latvia, respectively. The monitoring authority in the Community shall be the Commission of the European Communities ('the Commission'), and in the Republic of Latvia the State aid Surveillance Commission.

GUIDANCE FOR DEALING WITH CASES

Article 2

Criteria for compatibility

1. The assessment of compatibility of individual aid awards and programmes with the Europe Agreement, as provided for in Article 1 of these Rules, shall be made on the basis of the criteria arising from the application of the rules of Article 87 of the Treaty establishing the European Community, including the present and future secondary legislation, frameworks, guidelines and other relevant administrative acts in force in the Community, as well as the case law of the Court of First Instance and the Court of Justice of the European Communities and any decision taken by the Association Council pursuant to Article 4(3).

Insofar as the aid awards or aid programmes are destined for products covered by the Treaty establishing the European Coal and Steel Community, the first subparagraph applies fully with the exception that the assessment shall not be made on the basis of the criteria arising from the application of the rules of Article 87 of the Treaty establishing the European Community but on the basis of the criteria arising from the application of the rules on State aid of the Treaty establishing the European Coal and Steel Community.

2. The monitoring authority of the Republic of Latvia shall be informed of any acts relating to the adoption, abolition or modification of the Community criteria of compatibility referred to in paragraph 1, insofar as these are not published

but are specifically brought to the attention of all Member States.

3. Where such changes do not encounter objections from the Republic of Latvia within three months from the date of receiving the official information about them, they shall become criteria of compatibility as provided for in paragraph 1 of this Article. Where such changes encounter objections from the Republic of Latvia and having regard to the approximation of legislation as provided for in the Europe Agreement, consultations shall take place, in accordance with Articles 7 and 8 of these Rules.

4. The same principles shall apply in respect of other significant changes in Community policy on State aids.

Article 3

De minimis aid

Aid programmes or individual aid awards which do not involve export aid and which fall below the threshold applicable in the Community for *de minimis* aid ⁽¹⁾ shall be considered as having only a negligible effect on competition and trade between the Parties and shall therefore not be treated under these Rules. This Article does not apply to the industries covered by the Treaty establishing the European Coal and Steel Community, to shipbuilding, to transport nor to aid towards expenditure in connection with agriculture or fisheries.

Article 4

Derogations

1. In accordance with and within the limits of Article 64(4)(a) of the Europe Agreement, the Republic of Latvia shall be regarded as an area identical to those areas of the Community referred to in Article 87(3)(a) of the Treaty establishing the European Community.

2. The monitoring authorities shall jointly evaluate the maximum aid intensities and specific regional coverage of areas in the Republic of Latvia eligible for national regional aid. They shall submit a joint proposal to the Association Committee which shall establish a decision to this effect.

3. The monitoring authorities may, if necessary and at the request of the Republic of Latvia jointly evaluate problems raised by the implementation of the Community acquis in the field of State aids awarded by the Republic of Latvia as it completes transition to a market economy. The evaluation of such problems shall not relate to the agricultural sector, fisheries, coal and steel, or to sensitive sectors (automobiles, man-made fibres or shipbuilding) for which specific Community arrangements exist. Where appropriate, the monitoring authorities shall submit a joint proposal to the Association Council, which may adopt a decision.

⁽¹⁾ Currently the Community *de minimis* threshold according to the Commission Notice on *de minimis* aid (OJ C 68, 6.3.1996, p. 9) is EUR 100 000 of total aid per firm over a three-year period.

PROCEDURES FOR CONSULTATION AND PROBLEM SOLVING

*Article 5***Examination of certain aid**

1. Where the amount of the aid in question amounts to over EUR 3 million, aid programmes or individual aid awards, whether or not covered by frameworks and guidelines in the Community, may be referred by the relevant monitoring authority to the Sub-Committee dealing with competition policy and State aids for examination. The Sub-Committee may submit a report to the Association Committee which may adopt appropriate decisions or recommendations concerning the compatibility of the aid programme or aid award with the Europe Agreement and these Rules.

2. The principal purpose of such decisions or recommendations shall be to avoid the resorting to commercial defence measures as a consequence of the aid in question.

3. The Association Committee may decide to extend further the possibility of examination as provided for in this Article.

*Article 6***Request for information**

Whenever the monitoring authority of a Party becomes aware of the fact that an aid programme or individual aid award appears to affect important interests of that Party, it may request information about this from the authority responsible. In any event, both monitoring authorities shall endeavour to keep each other informed of important developments that may be of practical interest for the other.

*Article 7***Consultation and comity**

1. Whenever the Commission or the monitoring authority of the Republic of Latvia considers that the award of State aid on the territory for which the other authority is responsible substantially affects its important interests, it may request consultation with the other authority, and consequently it may request that the other Party's monitoring authority initiate any appropriate procedures with a view to taking remedial action. This is without prejudice to any action under the respective Parties' relevant legislation and does not hamper the full freedom of ultimate decision of the authority so addressed, within the framework of the Europe Agreement.

2. The monitoring authority so addressed shall give full and sympathetic consideration to such views and factual material as may be presented by the requesting authority and in particular to the alleged harmful effects on the important interests of the requesting Party.

3. Without prejudice to any of their rights and obligations, the monitoring authorities involved in consultations under this Article shall endeavour to find, within three months, a mutually acceptable solution in the light of the respective important interests involved.

*Article 8***Problem solving**

1. Where consultations under Article 7 do not lead to a mutually acceptable solution, an exchange of views shall take place within the Sub-Committee dealing with competition policy and State aids established in the framework of the Europe Agreement at the request of one Party within three months following the request.

2. Where this exchange of views does not lead to a mutually acceptable solution, or after the expiration of the period referred to in paragraph 1, the matter may be submitted to the Association Committee which may make appropriate recommendations for the settlement of these cases.

3. These procedures shall be without prejudice to any action under Article 64(6) of the Europe Agreement. Trade instruments should however only be used as a last resort.

*Article 9***Secrecy and confidentiality of information**

1. With respect to Article 64(7) of the Europe Agreement, neither monitoring authority is required to provide information to the other authority if disclosure of that information to the requesting authority is prohibited by the law of the authority possessing the information.

2. Each monitoring authority agrees to maintain the confidentiality of any information provided to it in confidence by the other authority.

TRANSPARENCY

*Article 10***Inventory**

1. Under the relevant Community programmes, the Commission shall assist the Republic of Latvia to draw up and thereafter update an inventory of its aid programmes and individual aid awards, established on the same basis as in the Community, in order to ensure and continuously improve transparency.

2. The Commission shall provide the Republic of Latvia with regular information on the documentation it produces with a similar aim in relation to the Member States of the Community.

Article 11

MISCELLANEOUS

Mutual information

Both Parties shall ensure transparency in the domain of State aid by providing for appropriate publications and the exchange of information on State aid policy on a regular and reciprocal basis.

*Article 12***Administrative assistance (languages)**

The Commission and the monitoring authority of the Republic of Latvia shall provide for practical arrangements for mutual assistance or any other appropriate solution concerning in particular the question of translations.

**DECISION No 2/2001 OF THE EU-SLOVENIA ASSOCIATION COUNCIL
of 3 May 2001**

adopting the implementing rules for the application of the provisions on State aid referred to in Article 65(1)(iii) and (2) pursuant to Article 65(3) of the Europe Agreement establishing an association between the European Communities and their Member States, of the one part, and the Republic of Slovenia, of the other part, and in Article 7(1)(iii) and (2) of Protocol 2 on European Coal and Steel Community (ECSC) products to that Agreement

(2001/465/EC)

THE ASSOCIATION COUNCIL,

Having regard to the Europe Agreement establishing an association between the European Communities and their Member States, of the one part, and the Republic of Slovenia, of the other part, and in particular Article 65(3) thereof,

Having regard to Protocol 2 on European Coal and Steel Community (ECSC) products to the Europe Agreement, and in particular Article 7(3) thereof,

Whereas:

- (1) Article 65(3) of the Europe Agreement lays down that the Association Council shall, within three years of the entry into force of the Agreement, adopt by decision the necessary rules for the implementation of paragraphs 1 and 2 of that Article.
- (2) It is recalled that in accordance with Article 65(2) of the Europe Agreement, the concept of 'public aid' as contained in Article 65(1)(iii) of the Europe Agreement is to be assessed on the basis of criteria arising from the application of the rules of Article 87 of the Treaty establishing the European Community, and thus covers any aid granted by the State or through State resources in any form whatsoever which distorts or threatens to distort competition by favouring certain undertakings or the production of certain goods, insofar as it may affect trade between the European Community and the Republic of Slovenia (State aid).
- (3) The Republic of Slovenia will appoint a national institution or administration to become a monitoring authority with responsibility for State aid matters.
- (4) This monitoring authority will be responsible for the analysis of existing and future individual aid awards and programmes in the Republic of Slovenia and will give an opinion as to their compatibility with Article 65(1)(iii) and (2) of the Europe Agreement, and Article 7(1)(iii) and (2) and (4) of Protocol 2 on European Coal and

Steel Community (ECSC) products to the Europe Agreement.

- (5) The Republic of Slovenia will, when providing for the necessary rules to ensure effective supervision, ensure in particular that the monitoring authority receives in due time all the relevant information from the other government departments at central, regional and local level.
- (6) The Commission of the European Communities will, under the relevant Community programmes, assist the monitoring authority by providing for documentation, training, study tours and other relevant technical assistance,

HAS DECIDED AS FOLLOWS:

Article 1

The Implementing Rules for the application of the provisions on State aid referred to in Article 65(1)(iii) and (2) pursuant to Article 65(3) of the Europe Agreement establishing an association between the European Communities and their Member States, of the one part, and the Republic of Slovenia of the other part, and in Article 7(1)(iii) and (2) of Protocol 2 on European Coal and Steel Community (ECSC) products to that Agreement as set out in the Annex to this Decision, are hereby adopted.

Article 2

These Implementing Rules shall enter into force on the first day of the month following the adoption of the rules.

Done at Brussels, 3 May 2001.

For the Association Council
The President
A. LINDH

IMPLEMENTING RULES

for the application of the provisions on State aid referred to in Article 65(1)(iii) and (2) pursuant to Article 65(3) of the Europe Agreement establishing an association between the European Communities and their Member States, of the one part, and the Republic of Slovenia, of the other part, and in Article 7(1)(iii) and (2) of Protocol 2 on European Coal and Steel Community (ESCS) products to that Agreement

SURVEILLANCE OF STATE AID BY MONITORING AUTHORITIES

Article 1

Surveillance of State aid by monitoring authorities

Subject to the procedural rules in force in the European Community ('the Community') and the Republic of Slovenia, the granting of State aid shall be surveyed and assessed as to its compatibility with the Europe Agreement by the responsible monitoring authorities in the Community and the Republic of Slovenia, respectively. The monitoring authority in the Community shall be the Commission of the European Communities ('the Commission'), and in the Republic of Slovenia the Commission for State Aid Control.

GUIDANCE FOR DEALING WITH CASES

Article 2

Criteria for compatibility

1. The assessment of compatibility of individual aid awards and programmes with the Europe Agreement, as provided for in Article 1 of these Rules, shall be made on the basis of the criteria arising from the application of the rules of Article 87 of the Treaty establishing the European Community, including the present and future secondary legislation, frameworks, guidelines and other relevant administrative acts in force in the Community, as well as the case law of the Court of First Instance and the Court of Justice of the European Communities and any decision taken by the Association Council pursuant to Article 4(3).

Insofar as the aid awards or aid programmes are destined for products covered by Protocol 2 to the Europe Agreement, the first subparagraph applies fully with the exception that the assessment shall not be made on the basis of the criteria arising from the application of the rules of Article 87 of the Treaty establishing the European Community but on the basis of the criteria arising from the application of the rules on State aid of the Treaty establishing the European Coal and Steel Community.

2. The monitoring authority of the Republic of Slovenia shall be informed of any acts relating to the adoption, abolition or modification of the Community criteria of compatibility referred to in paragraph 1, insofar as these are not published

but are specifically brought to the attention of all Member States.

3. Where such changes do not encounter objections from the Republic of Slovenia within three months from the date of receiving the official information about them, they shall become criteria of compatibility as provided for in paragraph 1 of this Article. Where such changes encounter objections from the Republic of Slovenia and having regard to the approximation of legislation as provided for in the Europe Agreement, consultations shall take place, in accordance with Articles 7 and 8 of these Rules.

4. The same principles shall apply in respect of other significant changes in Community policy on State aids.

Article 3

De minimis aid

Aid programmes or individual aid awards which do not involve export aid and which fall below the threshold applicable in the Community for *de minimis* aid⁽¹⁾ shall be considered as having only a negligible effect on competition and trade between the Parties and shall therefore not be treated under these Rules. This Article does not apply to the industries covered by the Treaty establishing the European Coal and Steel Community, to shipbuilding, to transport nor to aid towards expenditure in connection with agriculture or fisheries.

Article 4

Derogations

1. In accordance with and within the limits of Article 65(4)(a) of the Europe Agreement, the Republic of Slovenia shall be regarded as an area identical to those areas of the Community referred to in Article 87(3)(a) of the Treaty establishing the European Community.

2. The monitoring authorities shall jointly evaluate the maximum aid intensities and specific regional coverage of areas in the Republic of Slovenia eligible for national regional aid. They shall submit a joint proposal to the Association Committee which shall establish a decision to this effect.

3. The monitoring authorities may, if necessary and at the request of the Republic of Slovenia, jointly evaluate problems raised by the implementation of the Community acquis in the field of State aids awarded by the Republic of Slovenia as it completes transition to a market economy. The evaluation of such problems shall not relate to the agricultural sector, fisheries, coal and steel, or to sensitive sectors (automobiles, man-made fibres or shipbuilding) for which specific Community arrangements exist. Where appropriate, the monitoring authorities shall submit a joint proposal to the Association Council, which may adopt a decision.

⁽¹⁾ Currently the Community *de minimis* threshold according to the Commission Notice on *de minimis* aid (OJ C 68, 6.3.1996, p. 9) is EUR 100 000 of total aid per firm over a three-year period.

PROCEDURES FOR CONSULTATION AND PROBLEM SOLVING

*Article 5***Examination of certain aid**

1. Where the amount of the aid in question amounts to over EUR 3 million, aid programmes or individual aid awards, whether or not covered by frameworks and guidelines in the Community, may be referred by the relevant monitoring authority to the Sub-Committee dealing with competition policy and State aids for examination. The Sub-Committee may submit a report to the Association Committee which may adopt appropriate decisions or recommendations concerning the compatibility of the aid programme or aid award with the Europe Agreement and these Rules.

2. The principal purpose of such decisions or recommendations shall be to avoid the resorting to commercial defence measures as a consequence of the aid in question.

3. The Association Committee may decide to extend further the possibility of examination as provided for in this Article.

*Article 6***Request for information**

Whenever the monitoring authority of a Party becomes aware of the fact that an aid programme or individual aid award appears to affect important interests of that Party, it may request information about this from the authority responsible. In any event, both monitoring authorities shall endeavour to keep each other informed of important developments that may be of practical interest for the other.

*Article 7***Consultation and comity**

1. Whenever the Commission or the monitoring authority of the Republic of Slovenia considers that the award of State aid on the territory for which the other authority is responsible substantially affects its important interests, it may request consultation with the other authority, and consequently it may request that the other Party's monitoring authority initiate any appropriate procedures with a view to taking remedial action. This is without prejudice to any action under the respective Parties' relevant legislation and does not hamper the full freedom of ultimate decision of the authority so addressed, within the framework of the Europe Agreement.

2. The monitoring authority so addressed shall give full and sympathetic consideration to such views and factual material as may be presented by the requesting authority and in particular to the alleged harmful effects on the important interests of the requesting Party.

3. Without prejudice to any of their rights and obligations, the monitoring authorities involved in consultations under this Article shall endeavour to find, within three months, a mutu-

ally acceptable solution in the light of the respective important interests involved.

*Article 8***Problem solving**

1. Where consultations under Article 7 do not lead to a mutually acceptable solution, an exchange of views shall take place within the Sub-Committee dealing with competition policy and State aids established in the framework of the Europe Agreement at the request of one Party within three months following the request.

2. Where this exchange of views does not lead to a mutually acceptable solution, or after the expiration of the period referred to in paragraph 1, the matter may be submitted to the Association Committee which may make appropriate recommendations for the settlement of these cases.

3. These procedures shall be without prejudice to any action under Article 65(6) of the Europe Agreement and Article 7(6) of Protocol 2 on European Coal and Steel Community (ECSC) products to the Europe Agreement. Trade instruments should however only be used as a last resort.

*Article 9***Secrecy and confidentiality of information**

1. With respect to Article 65(7) of the Europe Agreement, neither monitoring authority is required to provide information to the other authority if disclosure of that information to the requesting authority is prohibited by the law of the authority possessing the information.

2. Each monitoring authority agrees to maintain the confidentiality of any information provided to it in confidence by the other authority.

TRANSPARENCY

*Article 10***Inventory**

1. Under the relevant Community programmes, the Commission shall assist the Republic of Slovenia to draw up and thereafter update an inventory of its aid programmes and individual aid awards, established on the same basis as in the Community, in order to ensure and continuously improve transparency.

2. The Commission shall provide the Republic of Slovenia with regular information on the documentation it produces with a similar aim in relation to the Member States of the Community.

Article 11

MISCELLANEOUS

Mutual information

Both Parties shall ensure transparency in the domain of State aid by providing for appropriate publications and the exchange of information on State aid policy on a regular and reciprocal basis.

*Article 12***Administrative assistance (languages)**

The Commission and the monitoring authority of the Republic of Slovenia shall provide for practical arrangements for mutual assistance or any other appropriate solution concerning in particular the question of translations.

COMMISSION

COMMISSION DECISION

of 21 December 2000

on the State aid which Italy is planning to implement in favour of the steel companies Lucchini SpA and Siderpotenza SpA

(notified under document number C(2000) 4368)

(Only the Italian text is authentic)

(Text with EEA relevance)

(2001/466/ECSC)

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Coal and Steel Community, and in particular Article 4(c) thereof,

Having regard to the Agreement on the European Economic Area, and in particular Article 62(1)(a) thereof read in conjunction with Protocol 14,

Having regard to Commission Decision No 2496/96/ECSC of 18 December 1996 establishing Community rules for State aid to the steel industry (hereinafter referred to as the 'Steel Aid Code')⁽¹⁾,

Having called on interested parties to submit their comments pursuant to the provisions cited above⁽²⁾ and having regard to those comments,

Whereas:

dure laid down in Article 6(5) of the Steel Aid Code in respect of the aforementioned aid.

- (3) The Commission decision to initiate the procedure was published in the *Official Journal of the European Communities* ⁽³⁾. The Commission invited interested parties to submit their comments on the aid.
- (4) The Commission received comments from the UK Steel Association and from the UK Permanent Representation to the European Union. It forwarded them to Italy, which was given the opportunity to react and sent its reply thereto by letter dated 13 October 2000.

I. PROCEDURE

- (1) By letter dated 16 March 1999, Italy notified the Commission of aid, under Article 3 of the steel aid code, in favour of Lucchini SpA, for investments at its Piombino plant. By letter dated 29 November 1999, Italy notified further investment aid under Article 3 in favour of Lucchini SpA, Piombino, and also in favour of Siderpotenza SpA, a steel company owned by the Lucchini family.
- (2) By letter dated 26 April 2000, the Commission informed Italy that it had decided to initiate the proce-

II. DESCRIPTION OF THE AID

- (5) The notified investments and the expected effect on the environment have been described in detail in the decision to initiate the procedure. That description remains valid for the purposes of the present Decision.
- (6) The investments carried out by Lucchini SpA and notified as eligible for environmental aid concern the coking plant, the steel works, the blast furnace, the fumes extraction system and the water and sewage system. The total notified investment costs, considered eligible by the Italian authorities, amount to ITL 190,9 billion (EUR 98,58 million). The proposed aid amounts to ITL 13,5 billion (EUR 6,98 million), representing an aid intensity of 7 %.

⁽¹⁾ OJ L 338, 28.12.1996, p. 42.

⁽²⁾ OJ C 184, 1.7.2000, p. 2.

⁽³⁾ See footnote 2.

- (7) The investments carried out by Siderpotenza SpA and notified as eligible for environmental aid concern the fume suction plant of the steel works, the after-burning system and a new loading system for the rolling mill. The total cost considered eligible by the Italian authorities amounts to ITL 5,9 billion (EUR 3,4 million) and the proposed aid to ITL 1,3 billion (EUR 0,68 million), representing an aid intensity of 22,3 %.

III. COMMENTS FROM INTERESTED PARTIES

- (8) The UK Steel Association and the UK Representation to the European Union sent their comments and take the view that the aid proposed by the Italian authorities is incompatible with the rules set out in the Steel Aid Code for environmental aid because the investment was made primarily on economic and not environmental grounds.

IV. COMMENTS FROM ITALY

Lucchini SpA

- (9) In its comments Italy rejects the Commission's doubts expressed as to the eligibility of the investments carried out by Lucchini SpA at Piombino. In particular, the Italian authorities contest the Commission's belief that the reasons for the notified investments were primarily concerned with production and not environmental protection. They state that the investments for upgrading and reorganising production were made in parallel with an environmental improvement plan. The technical characteristics of the environmental equipment relating to the blast furnace and the steelworks were such that the old environmental equipment could have continued to operate with the new production plant and comply with the rules in force on emission levels. Its replacement was completely unrelated to the renovation of the means of production (blast furnace and steelworks converters), the sole purpose being to reduce emissions more significantly than the statutory minimum with which the previous plant had already complied.

- (10) In this context, the Italian authorities state that, as regards the pig-iron production installations, the main investments carried out for production consisted in the replacement of the blast furnace with a new one, better suited to new production requirements. The corresponding system for reducing dust and extracting gas from the old blast furnace could have remained in operation with the new blast furnace as it complied with the emission requirements (the output of gas is the same with the new blast furnace despite the (limited) increase in its capacity). However, the dust reduction and gas

extraction system attached to the furnace was renewed in order to obtain a significant environmental improvement on existing standards. A new water spray tower (a Baumco tower to replace the old Venturi system) was installed and the dust bag modified, in order to ensure that the level of emissions is lower than before.

- (11) As regards the steelworks installations, the main production investments carried out involved the replacement of existing converters with ones better suited to the production requirements. The existing wet systems for extracting and abating dust from the converter fumes could have continued to operate with the new converters. They would have complied with the rules on emissions (fume output before the intervention was greater than after the new converters were installed, despite the (limited) increase in the capacity of the new converters). However, new systems were installed in order to produce a significant environmental improvement on the rules in force. The new systems, with dry electrostatic filters, produce far lower emissions than previous levels.

- (12) To back up their claim that the environmental installations were not replaced for economic reasons, the Italian authorities also refer to the independent expert's report that they sent with the notification. The report concluded that from the standpoint of age, the environmental protection plant still had a useful life of at least 25 % before it need be replaced or modified. The investments were carried out only because the old equipment would not have produced the significant environmental improvement in relation to existing levels necessary, in view of the plant's location in a densely populated area, even before the work on the new production facilities. Although the existing environmental plant complied with the statutory emission requirements and could function with the renovated production plant, it could not produce a significant environmental improvement. Therefore, with regard to that objective, the existing plant was technically outdated. This is why it was replaced with new, modernised or modified equipment.

- (13) As regards the necessity for the investor to demonstrate that a clear decision was taken to opt for higher standards, which necessitated additional investment, the Italian authorities consider that all the investments notified must be regarded as additional. This would be because the company decided to opt for significantly higher environmental standards irrespective of the investments in production which would not have required any investment in the environmental equipment in order to comply with emission levels.

(14) As regards the low level of emission reductions obtained with the investments in the coking plant, the Italian authorities point out that although the investments were notified on two different dates, they were carried out consecutively as part of a single programme. Therefore, the results to be compared in order to assess the improvement on emissions are the results after the last investment. That way, they concluded, the reductions in dust emissions from the coking furnaces are of the order of 25 %, which is significant.

(15) As regards the doubts raised by the Commission on the possible use for production of the equipment declared for environmental purposes, the Italian authorities state that the total cost to the company of the environmental measures was ITL 247,6 billion (206,2 + 41,4). However, at the appraisal stage, the Italian authorities, on the basis of the independent expert's report, decided to reduce the eligible basis to ITL 190,9 billion (ITL 152,5 billion in the first notification and ITL 38,4 in the second), in view of the fact that some of the measures, either in full or in part, were not eligible under the more restrictive terms of the Steel Aid Code.

(16) As regards the position taken by the Commission on the inclusion of the depreciation costs of the investments in the calculation of the cost advantage to production, the Italian authorities refer again to standard accountancy practice with respect to calculation of production costs. The depreciation costs being a normal element of production costs, they consider that they must be taken into consideration without question.

(17) As regards the period during which the cost advantage is calculated, the Italian authorities state that they used the annual amortisation, which was calculated in accordance with Italian rules. For the five investment projects in question, the coefficients provided for by law yielded the corresponding periods of time during which the advantages in terms of production costs are deducted, namely $100/15 = 6,66$ years.

Siderpotenza SpA

(18) The Italian authorities justify the aid intensity (22,3 %) for the investments made by the undertaking in the fume suction plant and the afterburners, on the grounds that the maximum aid intensity in the present case is 50 %. Regarding the level of improvement achieved, the

Italian authorities take the view that the 30 % reduction in dust emissions and the 10 % cut in the CO in the fumes are highly significant, in particular because the investments ensure the stability of the lower level of emissions obtained. The investment should therefore be assessed not only from the standpoint of the absolute improvement in the level of emissions but also from that of the guaranteed continuity and hence the enhanced reliability of the system as a whole.

(19) As regards the investment in the plant for the loading of continuously cast hot billets and its possible effects on productivity, the Italian authorities insist that there is no change in the productivity of the plant. In the case of plants like this, made up of a series of in-line machines, the productivity of the plant is regulated by the productivity of the 'slowest' machines (bottleneck). The investment in the hot loader does not help to remove any of the plant's bottlenecks, i.e. the carrier plate (sliders) and the machinery used to make the finished product (beams).

(20) As regards the Commission's observation that the investments were made to improve the health and safety conditions of workers, the Italian authorities say that this does not fit the facts. The investment modifies the procedure for reheating billets for rolling, with a consequent reduction in CO₂ emissions into the air. The reheating process is carried out by a pusher type reheating furnace, i.e. to a static machine, completely automated, its cycles being regulated by a PLC. Only one operator per shift is needed to control the furnace, from a control cabin which is located in another area and from which the sensors are monitored that control the progress of the cycle. Thus the safety of the workforce was taken care of before the investments in question.

Third parties' comments

(21) As regards the comments made by the UK Steel Association and the UK Representation to the European Union, the Italian authorities stated that they took note of them but reiterated their position as set out in their reply to the Commission's decision.

V. ASSESSMENT OF THE AID

Legal basis

(22) Article 3 of the Steel Aid Code allows steel companies to receive aid for environmental investments. The conditions for such aid to be considered compatible are set in the Annex to the Steel Aid Code and in the *Community guidelines to State aid for environmental protection* ⁽¹⁾ (hereinafter referred to as the 'environmental guidelines').

⁽¹⁾ OJ C 72, 10.3.1994, p. 3.

- (23) According to the environmental guidelines, aid ostensibly intended for environmental protection measures but which in fact is aid for general investment is not covered by the guidelines. The eligible costs must be strictly confined to the extra investment costs necessary to meet environmental objectives⁽¹⁾. Also according to the guidelines (point 3.2.3B, first paragraph), aid for investment that allows significantly higher levels of environmental protection may be authorised, up to 30 %, in proportion to the improvement of the environment that is achieved and to the investment necessary for achieving the improvement.
- (24) According to the Annex to the Steel Aid Code, the Commission will, as appropriate, impose strict conditions and safeguards so as to avoid general investment aid for new plant or equipment being granted under cover of environmental protection.
- 24.1. In the case of aid to encourage firms to contribute to significantly improved environmental protection, investors will have to demonstrate that a clear decision was taken to opt for higher standards, which necessitated additional investment, that is, that a lower-cost solution existed which would meet the legal standards. The higher aid level will only apply to the additional environmental protection achieved. Any advantage in regard to lower production cost will be deducted.
- 24.2. The Commission will also analyse the economic and environmental background of a decision to opt for the replacing of existing plant or equipment. In principle a decision to undertake new investment which would have been necessary in any event on economic grounds or due to the age of the existing plant or equipment (useful life left less than 25 %) will not be eligible for aid.

Assessment of the aid in the light of the comments from the Italian authorities

Lucchini SpA, Piombino

- (25) The main point made by the Italian authorities is that although the company carried out an investment programme for the modernisation and rationalisation of the production equipment, the investments carried out in the environmental installations were not a result of such production investment programme. The environmental installations were not obsolete either. They could have continued to be used in conjunction with the new production equipment and environmental standards would have been met. The reason for their replacement

was a voluntary decision to improve on environmental protection.

- (26) However, no proof was provided that such have been the reasons for the decisions or that the old equipment could indeed have been compatible with the new production equipment. As stated by the UK Steel Association, which intervened as a third party, when a company carries out a major modernisation of its production facilities, as Lucchini did, the associated expenditure on environmental equipment is no more than what would normally be necessary as part of a modern production plant.
- (27) It is even more difficult to accept that the company would have kept the old 'environmental' equipment together with the new production equipment when account is taken of the age of equipment, which dated from 1971 and 1978. And, as stated in the expert's report by the Italian authorities on the age of the installations, the lifetime of the environmental equipment is the same as that of the whole plant because such equipment is just a component of that plant. This is so for the three areas involved, i.e. the coking plant, the steel works and the blast furnace. It is therefore difficult to believe that once the main production equipment was replaced because it was technologically obsolete, the environmental protection equipment that went with it might have stayed in place.
- (28) The Italian authorities also state that the improvement in terms of environmental protection was necessary already before the production investment plan because the undertaking is located in a very densely populated area. This supplements the information given in the notification (letter of 15 February 2000) where it was stated that 'As a result of environmental measures, the steel-works and hence the employment it provides, will be able to continue to operate alongside the existing social fabric, a particularly important factor given that the Piombino plant is located in a densely populated area'. From this information the Commission can only conclude that the environmental investments were necessary for the company to be allowed to continue to do business and hence that the decisive reason for the investments was of an economic nature.
- (29) In conclusion, as regards the primary reasons for the investments by Lucchini, Piombino, in the coking plant, the steel works and blast furnace, the Commission considers that the Italian authorities have not demonstrated, as required by the Annex to the Steel Aid Code, that a clear decision was taken to invest for environmental reasons. On the contrary, all facts tend to prove that the environmental investments were made as a condition or as a consequence of necessary production investments.

⁽¹⁾ See point 3.2.1 of the guidelines.

- (30) As regards the obligation to limit the eligible costs to the additional investments necessary to go beyond the mandatory standards, the Italian authorities simply say that all the investments notified must be regarded as additional, because the undertaking could have continued to use the old environmental equipment. The Commission does not agree with this position. The investments made consist mainly in the replacement of existing equipment, as explained by the Italian authorities, when they say that the undertaking might have kept the old systems but opted to replace them with newer, more environmentally efficient ones. Given that the undertaking must, in any case, operate with environmental equipment that ensures compliance with mandatory standards, the hypothetical cost of such equipment, if it exists, must be deducted from the cost of the one it opted for and that provided for a higher standard. The cost of the old equipment cannot be taken into account because its remaining life, even according to the Italian authorities, was already reduced to 25 %, which would mean in any case that 75 % of the equipment's life would be illegally subsidised. The Commission therefore concludes that the notified costs, concerning all the installations, do not relate solely to the extra costs necessary to ensure the additional environmental protection, as required by the Annex to the Steel Aid Code.
- (31) As regards the possibility that the notified costs also relate to production equipment that is not eligible for environmental aid, Italy contests such a possibility only by stating that the notified costs has already been greatly reduced compared to the initial request submitted by the company. The Commission can only conclude that, as stated in its decision to initiate the procedure, most of the notified equipment has a direct use in production and, since no information was sent as to how to separate this equipment from the rest, it cannot accept that all the notified costs are eligible for environmental aid.
- (32) The Commission accordingly concludes that the investment costs notified by the Italian authorities do not represent only costs related exclusively to environmental protection. The cost of equipment that can be used for production has not been deducted accordingly and in the single case where some deduction is made for the economic gains obtained from energy savings, the method used does not ensure that all the economic advantages have been excluded.
- (33) Indeed, in calculating the cost advantages that the undertaking gets from the new fume extraction plant in the steel works, the Italian authorities insist on using the period of 6,66 years to deduct the cost savings obtained. The Commission cannot accept that the tax depreciation period used by the Italian authorities in the present case will ensure that all the economic advantages are excluded. Italy gives no justification on that score but only justifies the length of its depreciation period as being in accordance with the law. The Steel Aid Code requires that all advantages be deducted. The Commission considers that this can only be ensured if the economic life of the equipment is used. When, according to the expert's report sent by the Italian authorities, the economic life of the equipment it replaced was 36 years, the tax depreciation period of 6,66 years can certainly not be used as a substitute for the life period of the equipment in question.
- (34) As regards the inclusion of the depreciation costs questioned by the Commission, the Italian authorities reiterate that the calculation of the cost advantage obtained from the investment is made according to standard accountancy rules on production cost elements. The Commission does not however question what are the standard elements of production costs of an undertaking. What it cannot accept is that in the calculation of the financial advantage that an undertaking gets from entering into a given investment expenditure, the depreciation costs of the investment itself should be considered. As indicated in the decision to initiate the procedure, this in practice means counting the same investment cost twice and would ensure that such investment would always be eligible for aid. The objective is, on the contrary, to ensure that the company will not use for its own advantage investments subsidised for environmental protection. The Commission therefore concludes that, in calculating the cost advantage that the company gets from a given investment, the Italian authorities do not exclude all the advantages that the company gets from such investment.
- (35) As regards the pollution levels obtained with the second notification of investments in the coking plant, the Italian authorities seem to agree with the Commission that they cannot be considered significant enough to be eligible for aid. They consider however that they should be seen in conjunction with the investments in the first notification and that only the final results should be considered for comparison. However, the Italian authorities did not notify the second part of the investments as an addendum to the first notification, one notification having been made in March and the other in November 1999. And to justify the environmental improvement to be attained with the investments notified in November the Italian authorities considered as departing pollution levels the ones that had been obtained as a result of the investments notified in March. This means that such levels were already reached. Any investment to improve on the environment has to be considered in relation to the existing levels of pollution and not in relation to earlier ones. The Commission therefore concludes that the investments notified in September for the coking plant at Lucchini, Piombino, do not bring about a significant improvement in environment protection, as required by the Steel Aid Code, and that for that reason they are not eligible for environmental aid from the outset.

Siderpotenza SpA

- (36) As regards the investments made in the fume suction plant and the afterburners system, the Commission accepts that the applicable ceiling is not the usual 30 %, but the regional aid ceiling of 50 %. Indeed, the environmental guidelines provide for the possibility of investments made by undertakings located in assisted areas to improve significantly on mandatory standards up to the prevailing rate of regional aid authorised by the Commission for the area (point 3.2.3B second paragraph) and this bonus is not prohibited by the Annex to the Steel Aid Code.
- (37) Considering that the investments are not production related and that the aid represents only half of the authorised ceiling, the Commission considers that its initial doubts regarding the aid to these investments have been lifted. It accepts that the aid notified for these two projects fulfils the requirements set out in the Steel Aid Code for environmental aid.
- (38) As regards the investment for the rolling mill, the Commission takes note that it did not serve the purposes of improving health and safety conditions. However, the Italian authorities have not demonstrated that such investment was not primarily made for economic reasons. The fact that the overall productivity of the plant is not improved because the gains obtained at a certain point of the production chain are limited because of the existence of bottlenecks at other points, does not prove that the investments are not made for economic/production reasons. On the other hand, no information is given on the improved levels of pollution that the investment is supposed to have achieved. Any improvement appears to be an indirect result of the investment and not the decisive reason for it to have been carried out. The Commission therefore concludes that the investments are not eligible for environmental aid because the conditions set out in the Annex to the Steel Aid Code are not fulfilled.

Conclusion

- (39) The aid notified by Italy for Lucchini SpA in the coking plant, the steel works and the blast furnace, of ITL 13,5 billion is not eligible for environmental aid because the Italian authorities failed to demonstrate that the investments were not made for economic reasons. In any case, when assessed in the light of the detailed criteria, the notified aid does not meet the various requirements, for several reasons as already assessed in detail. The notified costs do not refer only to the extra costs necessary for the additional improvement in environmental protection, not all cost advantages have been deducted and, in

some cases, the reduction in pollution levels does not allow such improvement to be considered 'significant'. The aid is accordingly incompatible with the common market and may not be implemented.

- (40) The aid notified by Italy for Siderpotenza SpA of ITL 203,2 million, in so far as it concerns investment in the rolling mill totalling ITL 910 million, is not eligible for environmental aid because the Italian authorities did not demonstrate that the investment was for environmental purposes. The aid is accordingly incompatible with the common market and may not be implemented.
- (41) The aid notified for Siderpotenza SpA of ITL 1 112 million, in so far as it concerns investment in the fume suction plant and in the afterburners system totalling ITL 4 980 million is compatible with the common market,

HAS ADOPTED THIS DECISION:

Article 1

The State aid which Italy is planning to implement for Lucchini SpA, amounting to ITL 13,5 billion (EUR 6,98 million) and for Siderpotenza SpA amounting to ITL 203,2 million (EUR 104 944) is incompatible with the common market.

The aid may accordingly not be implemented.

Article 2

The State aid which Italy notified for Siderpotenza SpA amounting to ITL 1 112 million (EUR 574 300) is compatible with the common market.

The aid may accordingly be implemented.

Article 3

Italy shall inform the Commission, within two months of notification of this Decision, of the measures taken to comply with it.

Article 4

This Decision is addressed to the Republic of Italy.

Done at Brussels, 21 December 2000.

For the Commission

Mario MONTI

Member of the Commission

COMMISSION DECISION

of 5 June 2001

prolonging for the sixth time the validity of Decision 1999/815/EC concerning measures prohibiting the placing on the market of toys and childcare articles intended to be placed in the mouth by children under three years of age made of soft PVC containing certain phthalates

(notified under document number C(2001) 1540)

(Text with EEA relevance)

(2001/467/EC)

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Community,

Having regard to Council Directive 92/59/EEC based on general product safety ⁽¹⁾, and in particular Article 9 thereof,

Whereas:

- (1) The Commission adopted, on 7 December 1999, Decision 1999/815/EC ⁽²⁾ based on Article 9 of Directive 92/59/EEC requiring the Member States to prohibit the placing on the market of toys and childcare articles intended to be placed in the mouth by children under three years of age, made of soft PVC containing one or more of the substances di-iso-nonyl phthalate (DINP), di(2-ethylhexyl) phthalate (DEHP), dibutyl phthalate (DBP), di-iso-decyl phthalate (DIDP), di-n-octyl phthalate (DNOP) and benzylbutyl phthalate (BBP).
- (2) The validity of Decision 1999/815/EC was limited to three months, in accordance with the provision of Article 11(2) of Directive 92/59/EEC. Therefore, the validity of the Decision was to expire on 8 March 2000.
- (3) Article 11(2) of Directive 92/59/EEC states that the validity of the measures adopted on the basis of Article 9 of the said Directive is limited to three months, but may be prolonged under the same procedure foreseen for the adoption of these measures.
- (4) When adopting Decision 1999/815/EC it was foreseen to prolong its validity if necessary. The validity of the measures adopted under Decision 1999/815/EC on the basis of Article 9 of Directive 92/59/EEC was prolonged under Commission Decisions 2000/217/EC, 2000/381/EC, 2000/535/EC, 2000/769/EC and 2001/195/EC for an additional period of three months each time, in accordance with the provision of Article 11(2) of the said Directive. Therefore the validity of the Decision is to expire on 5 June 2001.
- (5) The reasons which motivated Decision 1999/815/EC and its prolongation under Decisions 2000/217/EC, 2000/381/EC, 2000/535/EC, 2000/769/EC and 2001/195/EC are still valid and it is therefore necessary to

maintain the prohibition of the placing on the market of the products considered.

- (6) Certain Member States have implemented Decision 1999/815/EC, as modified by Decisions 2000/217/EC, 2000/381/EC, 2000/535/EC, 2000/769/EC and 2001/195/EC, by measures applicable until 5 June 2001. Therefore it is necessary to ensure that the validity of these measures is prolonged.
- (7) It is therefore necessary to prolong the validity of Decision 1999/815/EC for a sixth time in order to ensure that all the Member States maintain the prohibition provided for by that Decision. According to Article 11(2) of Directive 92/59/EEC the validity may be prolonged for a period of three months.
- (8) The measures provided for in this Decision are in accordance with the opinion of the Emergencies Committee,

HAS ADOPTED THIS REGULATION:

Article 1

In Article 5 of Decision 1999/815/EC the words '5 June 2001' are replaced by the words '6 September 2001'.

Article 2

Member States shall take the measures necessary to comply with this Decision within less than 10 days of its notification. They shall forthwith inform the Commission thereof.

Article 3

This Decision is addressed to the Member States.

Done at Brussels, 5 June 2001.

For the Commission

David BYRNE

Member of the Commission

⁽¹⁾ OJ L 228, 11.8.1992, p. 24.

⁽²⁾ OJ L 315, 9.12.1999, p. 46.

COMMISSION DECISION
of 8 June 2001
authorising methods for grading pig carcasses in Italy

(notified under document number C(2001) 1568)

(Only the Italian text is authentic)

(2001/468/EC)

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Community,

Having regard to Council Regulation (EEC) No 2759/75 of 29 October 1975 on the common organisation of the market in pigmeat ⁽¹⁾, as last amended by Regulation (EC) No 1365/2000 ⁽²⁾, and in particular Article 4(5) thereof,

Having regard to Council Regulation (EEC) No 3220/84 of 13 November 1984 determining the Community scale for grading pig carcasses ⁽³⁾, as last amended by Regulation (EC) No 3513/93 ⁽⁴⁾, and in particular Article 5(2) thereof,

Whereas:

- (1) Article 2(3) of Regulation (EEC) No 3220/84 provides that the grading of pig carcasses must be determined by estimating the content of lean meat in accordance with statistically proven assessment methods based on the physical measurement of one or more anatomical parts of the pig carcass. The authorisation of grading methods is subject to compliance with a maximum tolerance for statistical error in assessment. This tolerance has been defined in Article 3 of Commission Regulation (EEC) No 2967/85 of 24 October 1985 laying down detailed rules for the application of the Community scale for grading pig carcasses ⁽⁵⁾, as amended by Regulation (EC) No 3127/94 ⁽⁶⁾.
- (2) The Commission, by Decision 89/53/EEC ⁽⁷⁾, as amended by Decision 89/602/EEC ⁽⁸⁾, has authorised different methods for grading pig carcasses in Italy.
- (3) The Italian Government has requested the Commission to authorise the use of only two methods for calculating the lean meat content of carcasses in Italy: 'Fat-O-Meater' and 'Hennessy Grading Probe'. The information required pursuant to Article 3 of Commission Regulation (EEC) No 2967/85 has been submitted. The evaluation of the

request has shown that the conditions for authorising the said methods of grading are fulfilled.

- (4) Article 2 of Regulation (EEC) No 3220/84 lays down that Member States may be authorised to provide for a presentation of pig carcasses different to the standard presentations defined in the same Article where commercial practice or technical requirements so warrant.
- (5) In Italy the traditions in carcass presentation, and consequently, commercial practice, necessitate that carcasses can be presented with the flare fat and/or kidneys and/or diaphragm. This should be taken into account in adjusting to the weight for standard presentation. A uniform Italian carcass presentation should be adopted before end of 2003.
- (6) For the sake of clarity, a new decision should be adopted. Decision 89/53/EEC should therefore be repealed.
- (7) No adjustments to grading methods may be authorised except by means of a Commission decision adopted in the light of experience gained.
- (8) The measures provided for in this Decision are in accordance with the opinion of the Management Committee for Pigmeat,

HAS ADOPTED THIS DECISION:

Article 1

The use of the following methods is hereby authorised for grading pig carcasses pursuant to Regulation (EEC) No 3220/84 in Italy:

- the apparatus termed 'Fat-O-Meater' (FOM) and assessment methods related thereto, details of which are given in Part 1 of the Annex,
- the apparatus termed 'Hennessy Grading Probe' and assessment methods related thereto, details of which are given in Part 2 of the Annex.

⁽¹⁾ OJ L 282, 1.11.1975, p. 1.

⁽²⁾ OJ L 156, 29.6.2000, p. 5.

⁽³⁾ OJ L 301, 20.11.1984, p. 1.

⁽⁴⁾ OJ L 320, 22.12.1993, p. 5.

⁽⁵⁾ OJ L 285, 25.10.1985, p. 39.

⁽⁶⁾ OJ L 330, 21.12.1994, p. 43.

⁽⁷⁾ OJ L 20, 25.1.1989, p. 35.

⁽⁸⁾ OJ L 347, 28.11.1989, p. 33.

Article 2

Notwithstanding the standard presentation referred to in Article 2 of Regulation (EEC) No 3220/84, pig carcasses may be presented with kidneys and/or diaphragm and/or flare fat during weighing and grading. In order to establish quotations for pig carcass on a comparable basis, the recorded hot weight shall be corrected by the following equation:

$$Y = X - (X * a_1 / (100 - a_2))$$

where:

Y = carcass weight as defined by Regulation (EC) No 3513/93

X = carcass weight when being weighed

a_1 and a_2 = correction percentages, respectively, left or removed from the carcass:

- for kidneys, equivalent to 0,30 %
- for diaphragm, equivalent to 0,38 %
- for flare fat, equivalent to:
 - 1,4 % (carcass weight from 70 to 79,9 kg),
 - 1,8 % (carcass weight from 80 to 89,9 kg),
 - 1,9 % (carcass weight from 90 to 99,9 kg),
 - 2,4 % (carcass weight from 100 to 110 kg),
 - 1,6 % (carcass weight from 110,1 to 120 kg),
 - 2,3 % (carcass weight from 120,1 to 130 kg),

- 2,8 % (carcass weight from 130,1 to 140 kg),
- 3,4 % (carcass weight from 140,1 to 150 kg),
- 3,6 % (carcass weight more than 150 kg).

However, Italy shall adopt a uniform carcass presentation of pig carcasses before 31 December 2003.

Article 3

Modifications of assessment methods (apparatus, measuring points and formulae) shall not be authorised.

Article 4

Decision 89/53/EEC is repealed.

Article 5

This Decision is addressed to the Italian Republic.

Done at Brussels, 8 June 2001.

For the Commission

Franz FISCHLER

Member of the Commission

ANNEX

Methods for grading pig carcasses in Italy

PART 1

Fat-O-Meater (FOM)

1. Grading of pig carcasses shall be carried out by means of the apparatus termed 'Fat-O-Meater' (FOM).
2. The apparatus shall be equipped with a probe of 6 mm diameter containing a photodiode of the Siemens SFH 950 type and a photodetector (type SFH 960), having an operating distance of between 5 and 115 mm. The results of the measurements are converted into estimated lean meat content by means of a computer.
3. The lean meat content of the carcass shall be calculated according to one of the following two formulae:

- (a) carcasses weighing between 70 and 110 kg

$$\hat{y} = 53,630814 - 0,436960 x_1 + 0,043434 x_2 + 1,589929 x_3$$

- (b) carcasses weighing between 110,1 and 155 kg

$$\hat{y} = 45,371951 - 0,221432 x_1 + 0,055939 x_2 + 2,554674 x_3$$

where:

$\hat{y}$ = the estimated percentage of lean meat in the carcass,

x_1 = the thickness of back fat (including rind) in millimetres, measured at 8 cm off the midline of the carcass at the level placed between the third and fourth last ribs,

x_2 = the thickness of the *longissimus dorsi* muscle, measured at the same time and in the same place as x_1 ,

$x_3 = x_2/x_1$.

PART 2

Hennessy Grading Probe (HGP 7)

1. Grading of pig carcasses is carried out, by means of the apparatus called 'Hennessy grading probe' (HGP 7).
2. The apparatus shall be equipped with a probe of 5,95 mm diameter (and have abutting 6,3 mm of blade on either side of the probe at its head) containing a photodiode (Siemens LED of the type LYU 260-EO and photodetector of the type 58 MR) and having an operating distance of between 0 and 120 mm. The results of the measurements shall be transformed in terms of estimated lean meat content by means of the HGP 7 itself as well as a computer linked to it.
3. The lean meat content of the carcass shall be calculated according to one of the following two formulae:

- (a) carcasses weighing between 70 and 110 kg

$$\hat{y} = 50,933698 - 0,312169 x_1 + 0,037779 x_2 + 2,411151 x_3$$

- (b) carcasses weighing between 110,1 and 155 kg

$$\hat{y} = 44,992620 - 0,191001 x_1 + 0,042516 x_2 + 3,181847 x_3$$

where:

$\hat{y}$ = the estimated percentage of lean meat in the carcass,

x_1 = the thickness of back fat (including rind) in millimetres, measured at 8 cm off the midline of the carcass at the level placed between the third and fourth last ribs,

x_2 = the thickness of the *longissimus dorsi* muscle, measured at the same time and in the same place as x_1 ,

$x_3 = x_2/x_1$.

CORRIGENDA

Corrigendum to Commission Regulation (EC) No 1602/2000 of 24 July 2000 amending Regulation (EEC) No 2454/93 laying down provisions for the implementation of Council Regulation (EEC) No 2913/92 establishing the Community Customs Code

(Official Journal of the European Communities L 188 of 26 July 2000)

On page 8, in Article 80, in the introductory phrase:

for: 'tariff references ...',

read: 'tariff preferences ...'.

On page 10, in Article 87(3):

in the second paragraph, second line:

for: '... "Certificat de remplacement", ...',

read: '... "Certificat de remplacement", ...';

in the fifth paragraph, first line:

for: 'All particulars or ...',

read: 'All particulars of ...';

and in the sixth paragraph:

for: 'References the ...',

read: 'References to the ...'.

On page 11:

in Article 90(3):

for: '... to the approval exporter ...',

read: '... to the approved exporter ...';

in Article 90a(1)(a) et seq.:

for: '... an EUR.1 movement certificate ...',

read: '... a movement certificate EUR.1 ...'.

On page 13, in Article 94(5), sixth line:

for: 'send to ...',

read: 'sent to ...'.

On page 14, in Article 99(1)(a):

for: '... from its solid or ...',

read: '... from its soil or ...'.

On page 16:

in Article 103, fourth line:

for: '... not separately invoiced regarded ...',

read: '... not separately invoiced, shall be regarded ...';

and in Article 104, third line:

for: 'component products are originating',

read: 'component products are originating products'.

On page 17, in Article 107(2)(a), last line:

for: 'and',

read: 'or'.

On page 18, in Article 110(2), third line:

for: '... referred to on ...',

read: '... referred to in ...'.

On page 22, in Article 123:

in paragraph 1, third line:

for: '... does not cover ...',

read: '... shall not cover ...';

and in paragraph 3:

for: '... be considered as ...',

read: '... be regarded as ...'.

On page 23, in Article 292(3), first indent:

for: '— the application only invoices one customs administration,'

read: '— the application only involves one customs administration,'.

On page 25, in Article 296(2)(b), fifth indent:

for: '... time in transfer ...',

read: '... time of transfer ...'.

On page 29, in Article 912a(2):

for: '... the conditions prescribed by that measure ...',

read: '... the conditions provided for or prescribed by that measure ...'.

On page 31, in Article 912c(3):

for: '... provided for a prescribed.',

read: '... provided for or prescribed.'

On page 39:

in note 1, second line:

for: '... of Article 69 and 100.',

read: '... of Articles 69 and 100.';

in note 2.1, third line:

for: '... a rules is specified ...',

read: '... a rule is specified ...';

in note 2.4, first line:

for: '... a rules is ...',

read: '... a rule is ...';

and second line:

for: 'If no origin rules is ...',

read: 'If no origin rule is ...';

and in note 3.1, in the first paragraph of the example, third line:

for: '... of the heading ...',

read: '... of heading ...'.

On page 40:

in note 3.4, in the example, first line:

for: '5121',

read: '5212';

and in note 3.6, first line:

for: '... non-originating materials than ...',

read: '... non-originating materials that ...'.

On page 41, in note 5.2, nineteenth indent:

for: '... polyacrylonitrile,'

read: '... polyacrylonitrile,'.

On page 43, in note 7.2(n), second line:

for: '... of the these products ...',

read: '... of these products ...'.

On page 45, insert the following after HS heading No 0901:

'0902	Tea, whether or not flavoured	Manufacture from materials of any heading'
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On page 48, against HS heading No ex 1703, in the second column, first line:

for: '... from the extraction of ...',

read: '... from the extraction or ...'.

On page 51, against HS heading No 2101, in the second column, third line:

for: '... of theses products ...',

read: '... of these products ...'.

On page 52:

against HS heading ex Chapter 22, in the third column, second indent:

for: '... grapes of any ...',

read: '... grapes or any ...';

against HS heading No 2202, in the second column, third line:

for: '... matter of flavoured ...',

read: '... matter or flavoured ...';

and in the fifth line:

for: '... fruits ...',

read: '... fruit ...'.

On page 55, against HS heading No ex 2707, in the second column, ninth line:

for: '... as power of ...',

read: '... as power or ...'.

On page 61, against HS heading No 3301, in the third column, second line:

for: '... heading. Including ...',

read: '... heading, including ...'.

On page 71, against HS heading No ex 4416, in the third column, first line:

for: '... river staves ...',

read: '... riven staves ...'.

On page 72, against HS heading No ex 4819, in the second column, first line:

for: '... bats and ...',

read: '... bags and ...'.

On page 75:

against HS heading No 5208 to 5212, in the second column:

for: 'Other fabrics ...',

read: 'Woven fabrics ...';

and against HS heading ex Chapter 53, in the third column, first line:

for: '... material ...',

read: '... materials ...'.

On page 81, against HS heading No 5902, in the second column:

for: 'Containing not more than 90 % by weight of textile materials',

read: '— Containing not more than 90 % by weight of textile materials'.

On page 84, against HS heading No 5909 to 5911 (*cont'd*):

in the first column:

for: '5909 bis 5911',

read: '5909 to 5911';

and in the third column:

in the sixth indent:

for: '— monofil of polytetrafluoroethylene⁽⁹⁾,'

read: '— monofil of polytetrafluoroethylene⁽⁹⁾,';

and in the ninth indent, third line:

for: '... terephthalic ...',

read: '... terephthalic ...'.

On page 86, against HS heading No 6217,

for:

'	— Fire-resistant equipment of fabric covered with foil of aluminised polyester	Manufacture from yarn ⁽¹⁰⁾ or Manufacture from uncoated fabric provided the value of the uncoated fabric used does not exceed 40 % of the ex-works price of the product'
---	--	---

read:

'	— Fire-resistant equipment of fabric covered with foil of aluminised polyester	Manufacture from yarn ⁽¹⁰⁾ or Manufacture from uncoated fabric provided the value of the uncoated fabric used does not exceed 40 % of the ex-works price of the product ⁽¹⁰⁾ '
---	--	--

On page 88:

against HS heading No 6308, in the second column, fifth line:

for: '... in packing ...',

read: '... in packings ...';

against HS heading ex Chapter 64, in the second column:

for: 'Footwear gaiters ...',

read: 'Footwear, gaiters ...';

and against HS heading No 6503, in the second column, first line:

for: 'Felts hats ...',

read: 'Felt hats ...'.

On page 91, against HS heading No 7208 to 7216, in the second column, second line:

for: '... sections or iron ...',

read: '... sections of iron ...'.

On page 92, against HS heading No ex 7307, in the third column:

in the second line:

for: '... of forget ...',

read: '... of forged ...';

and in the fourth line:

for: '... 25 % ...',

read: '... 35 % ...'.

On page 94, against HS heading No 7501 to 7503, in the second column, first line:

for: 'Nickel matters, ...',

read: 'Nickel mattes, ...'.

On page 96, against HS heading No 8001, in the third column, the first sentence should be deleted.

On page 98, against HS heading 8403 and ex 8404, in the first column:

for: '8403 and ex ex 8404',

read: '8403 and ex 8404'.

On page 101, against HS heading No 8441, in the fourth column, second line:

for: '... 40 % ...',

read: '... 30 %...'.

On page 103:

against HS heading No 8484, in the second column, second line:

for: '... sheetings ...',

read: '... sheeting ...';

against HS heading ex Chapter 85, in the second column, second line:

for: '... parts thereof, sound ...',

read: '... parts thereof; sound ...';

and against HS heading No 8502, in the third column, second indent, third line:

for: '... No 8501 and 8503, ...',

read: '... No 8501 or 8503, ...'.

On page 107, against HS heading No 8542, in the third column, second indent, third line:

for: '... No 8541 and 8542, ...',

read: '... No 8541 or 8542, ...'.

On page 108, against HS heading No 8711, in the second column, second indent:

for: '—Not exceeding 50 cc³',

read: '—Not exceeding 50 cm³'.

On page 109, against HS heading No 8711, in the second column, first indent:

for: '—Exceeding 50 cc³',

read: '—Exceeding 50 cm³'.

On page 110, against HS heading No ex 9005, in the second column, fourth line:

for: '... and mounting therefor',

read: '... and mountings therefor'.

On page 113, against HS heading No 9026, in the second column, seventh line:

for: '... 9028 and 9032',

read: '... 9028 or 9032'.

On page 114, against HS heading No 9029, in the second column:

in the third line:

for: '... and the like, speed ...',

read: '... and the like; speed ...';

and in the fifth line:

for: '... heading Nos 9014 and 9015; ...',

read: '... heading No 9014 or 9015; ...'.

On page 115, against HS heading No 9110, in the fourth column, second line:

for: '... 40 % ...',

read: '... 30 % ...'.

On page 116, against HS heading ex Chapter 94, in the second column, third line:

for: '... furnishing; ...',

read: '... furnishings; ...'.

On page 123, Annex V, in the table:

for:

2.140.1	ex 0808 20 50 (Pears: Nashi and Ya)	X	X	X	X	X	X					X	X	X		X
2.140.2	ex 0808 20 50 (Pears: other)	X	X	X	X			X	X		X	X	X	X	X	X
2.150	0809 10 00	X	X	X	X						X	X	X	X		X
2.160	0809 20 05 0809 20 95	X			X						X	X	X	X		X
2.170	0809 30 90 (Peaches)	X	X		X	X	X			X		X	X	X		X
2.180	ex 0809 30 10 (Nectarines)	X	X	X	X					X		X	X	X		X
2.190	0809 40 05	X	X	X	X		X					X	X	X		X
2.200	0810 10 00	X	X		X					X		X	X	X		X
2.205	0810 20 10	X	X	X	X							X	X	X		
2.210	0810 40 30			X	X							X	X	X		
2.220	0810 50 00	X	X	X		X						X	X			X
2.230	ex 0810 90 85 (Pomegranates)	X	X		X							X	X	X'		

read:

2.140.1	ex 0808 20 50 (Pears: Nashi and Ya)	X		X	X	X	X					X	X	X		X
2.140.2	ex 0808 20 50 (Pears: other)	X		X	X	X		X	X		X	X	X	X	X	X
2.150	0809 10 00	X		X	X	X					X	X	X	X		X
2.160	0809 20 05 0809 20 95	X			X	X					X	X	X	X		X
2.170	0809 30 90 (Peaches)	X			X	X	X			X		X	X	X		X
2.180	ex 0809 30 10 (Nectarines)	X		X	X	X				X		X	X	X		X
2.190	0809 40 05	X		X	X	X	X					X	X	X		X
2.200	0810 10 00	X			X	X				X		X	X	X		X
2.205	0810 20 10	X		X	X	X						X	X	X		
2.210	0810 40 30			X	X	X						X	X	X		
2.220	0810 50 00	X	X	X								X	X			X
2.230	ex 0810 90 85 (Pomegranates)	X			X	X						X	X	X'		