



Plenary sitting

A8-0361/2018

8.11.2018

*****I**
REPORT

on the proposal for a regulation of the European Parliament and of the Council on the apportionment of tariff rate quotas included in the WTO schedule of the Union following the withdrawal of the United Kingdom from the Union and amending Council Regulation (EC) No 32/2000 (COM(2018)0312 – C8-0202/2018– 2018/0158(COD))

Committee on International Trade

Rapporteur: Godelieve Quisthoudt-Rowohl

Symbols for procedures

- * Consultation procedure
- *** Consent procedure
- ***I Ordinary legislative procedure (first reading)
- ***II Ordinary legislative procedure (second reading)
- ***III Ordinary legislative procedure (third reading)

(The type of procedure depends on the legal basis proposed by the draft act.)

Amendments to a draft act

Amendments by Parliament set out in two columns

Deletions are indicated in ***bold italics*** in the left-hand column. Replacements are indicated in ***bold italics*** in both columns. New text is indicated in ***bold italics*** in the right-hand column.

The first and second lines of the header of each amendment identify the relevant part of the draft act under consideration. If an amendment pertains to an existing act that the draft act is seeking to amend, the amendment heading includes a third line identifying the existing act and a fourth line identifying the provision in that act that Parliament wishes to amend.

Amendments by Parliament in the form of a consolidated text

New text is highlighted in ***bold italics***. Deletions are indicated using either the ■ symbol or strikeout. Replacements are indicated by highlighting the new text in ***bold italics*** and by deleting or striking out the text that has been replaced.

By way of exception, purely technical changes made by the drafting departments in preparing the final text are not highlighted.

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DRAFT EUROPEAN PARLIAMENT LEGISLATIVE RESOLUTION

**on the proposal for a regulation of the European Parliament and of the Council on the apportionment of tariff rate quotas included in the WTO schedule of the Union following the withdrawal of the United Kingdom from the Union and amending Council Regulation (EC) No 32/2000
(COM(2018)0312 – C8-0202/2018 – 2018/0158(COD))**

(Ordinary legislative procedure: first reading)

The European Parliament,

- having regard to the Commission proposal to Parliament and the Council (COM(2018)0312),
 - having regard to Article 294(2) and Article 207(2) of the Treaty on the Functioning of the European Union, pursuant to which the Commission submitted the proposal to Parliament (C8-0202/2018),
 - having regard to Article 294(3) of the Treaty on the Functioning of the European Union,
 - having regard to Rule 59 of its Rules of Procedure,
 - having regard to the report of the Committee on International Trade and the opinion of Committee on Agriculture and Rural Development (A8-0361/2018),
1. Adopts its position at first reading hereinafter set out;
 2. Calls on the Commission to refer the matter to Parliament again if it replaces, substantially amends or intends to substantially amend its proposal;
 3. Instructs its President to forward its position to the Council, the Commission and the national parliaments.

Amendment 1

Proposal for a regulation

Recital 2

Text proposed by the Commission

(2) The United Kingdom's withdrawal from the Union will have effects on the relations of the United Kingdom and the Union with third parties, in particular in the context of the World Trade Organization (WTO) of which both are original

Amendment

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members.

members. *As that process will be ongoing at the same time as the negotiations on the multiannual financial framework (MFF), and taking into account the share dedicated to the agricultural sector in the MFF, that sector could be exposed to a great extent, and as such a certain degree of caution will be required during those negotiations.*

Amendment 2

Proposition de règlement Recital 4

Text proposé par la Commission

(4) In line with the WTO rules, such apportionment of tariff rate quotas that are part of the Union's schedule of concessions and commitments will have to occur according to Article XXVIII of the General Agreement on Tariffs and Trade 1994 ('GATT 1994'). The Union will, therefore, following completion of preliminary contacts, engage in negotiations with WTO Members having a principal or substantial supplying interest or holding an initial negotiating right in relation to each of these tariff rate quotas.

Amendement

(4) In line with the WTO rules, such as apportionment of tariff rate quotas that are part of the Union's schedule of concessions and commitments will have to occur according to Article XXVIII of the General Agreement on Tariffs and trade 1994 ('GATT 1994'). The Union will, therefore, following completion of preliminary contacts, engage in negotiations with WTO Members having a principal or substantial supplying interest of holding an initial negotiating right in relation to each of these tariff rate quotas. *Those negotiations should remain limited in scope and should in no way extend to a renegotiation of the general terms or degree of access of products to the Union market.*

Amendment 3

Proposal for a regulation Recital 6

Text proposed by the Commission

(6) The following methodology should therefore be used: in a first step the United Kingdom's usage share for each individual

Amendement

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tariff rate quota should be established. The usage share, expressed as a percentage, is the United Kingdom's share of total Union imports under the tariff rate quota over a recent representative three year period. This usage share should then be applied to the entire scheduled tariff rate quota volume to arrive at the United Kingdom's share of a given tariff rate quota. The Union's share would then consist of the remainder of the tariff rate quota in question. This means the total volume of a given tariff rate quota is not changed (that is to say EU-27 volume = current EU-28 volume – United Kingdom volume). The underlying data should be extracted from the relevant Commission databases.

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Amendment 4

Proposal for a regulation Recital 6 a (new)

Text proposed by the Commission

Amendment

(6 a) The methodology for the usage share for each individual tariff rate quota has been established and agreed by the Union and the United Kingdom, in line with the requirements of Article XXVIII of the GATT 1994, and therefore, that methodology should be wholly maintained to ensure its consistent application.

Amendment 5

Proposal for a regulation Recital 8

Text proposed by the Commission

Amendment

(8) For the agricultural TRQs concerned, Articles 184-188 of Regulation (EU) No 1308/2013¹ ***provides*** the necessary legal basis for administration of the TRQs once apportioned by the present

(8) For the agricultural TRQs concerned, Articles 184-188 of Regulation (EU) No 1308/2013¹ ***provide*** the necessary legal basis for administration of the TRQs once apportioned by the present

Regulation. For the TRQs covering fisheries, industrial and certain processed agricultural products, administration is carried out pursuant to Regulation (EC) No 32/2000². The TRQ quantities concerned are set out in Annex I to that Regulation, which should therefore be replaced by the quantities set out in Part B of the Annex to the present Regulation.

Regulation. *That administration must therefore be carried out in accordance with the Union agricultural model, based on the multi-functionality of agricultural activity, with emphasis also on the explicit recognition of non-commercial considerations and catering for the needs of the public in the field of food safety, environmental protection, food quality and animal welfare.* For the TRQs covering fisheries, industrial and certain processed agricultural products, administration is carried out pursuant to Regulation (EC) No 32/2000². The TRQ quantities concerned are set out in Annex I to that Regulation, which should therefore be replaced by the quantities set out in Part B of the Annex to the present Regulation.

¹ Regulation (EU) No 1308/2013 of the European Parliament and of the Council of 17 December 2013 establishing a common organisation of the markets in agricultural products and repealing Council Regulations (EEC) No 922/72, (EEC) No 234/79, (EC) No 1037/2001 and (EC) No 1234/2007 (OJ L 347, 20.12.2013, p. 671)

² Council Regulation (EC) No 32/2000 of 17 December 1999 opening and providing for the administration of Community tariff quotas bound in GATT and certain other Community tariff quotas and establishing detailed rules for adjusting the quotas, and repealing Council Regulation (EC) No 1808/95 (OJ L 5, 8.1.2000, p. 1).

¹ Regulation (EU) No 1308/2013 of the European Parliament and of the Council of 17 December 2013 establishing a common organisation of the markets in agricultural products and repealing Council Regulations (EEC) No 922/72, (EEC) No 234/79, (EC) No 1037/2001 and (EC) No 1234/2007 (OJ L 347, 20.12.2013, p. 671).

² Council Regulation (EC) No 32/2000 of 17 December 1999 opening and providing for the administration of Community tariff quotas bound in GATT and certain other Community tariff quotas and establishing detailed rules for adjusting the quotas, and repealing Council Regulation (EC) No 1808/95 (OJ L 5, 8.1.2000, p. 1).

Justification

Amendment referencing the founding principles of the Agreement on Agriculture in GATT, so that these are also applied to the design and implementation of this apportionment of tariff quotas.

Amendment 6

Proposal for a regulation Recital 9

(9) Taking into account that negotiations with affected WTO Members will be taking place simultaneously with the ordinary legislative procedure for the adoption of this Regulation the power to adopt acts in accordance with Article 290 of the Treaty on the Functioning of the European Union should be delegated to the Commission to amend the Annex to this Regulation and Annex I to Regulation (EC) No 32/2000 with respect to the quantities of the apportioned tariff rate quotas listed therein, in order to take account of any agreements concluded or of pertinent information that it may receive in the context of these negotiations which would indicate that specific factors that were not previously known require an adjustment to the apportionment of the tariff quotas between the Union and the United Kingdom. ***The same possibility should also be provided where such information becomes available outside such negotiations.***

(9) Taking into account that negotiations with affected WTO Members will be taking place simultaneously with the ordinary legislative procedure for the adoption of this Regulation the power to adopt acts in accordance with Article 290 of the Treaty on the Functioning of the European Union should be delegated to the Commission to amend the Annex to this Regulation and Annex I to Regulation (EC) No 32/2000 with respect to the quantities of the apportioned tariff rate quotas listed therein. ***Those annexes should only be amended*** in order to take account of any ***international*** agreements concluded or of pertinent information that it may receive, ***either*** in the context of these negotiations ***or outside them***, which would indicate that specific factors that were not previously known require an adjustment to the apportionment of the tariff quotas between the Union and the United Kingdom.

Amendment 7

Proposal for a regulation Recital 9 a (new)

(9 a) Council Regulation (EC) No 32/2000 confers powers on the Commission in order to implement some of the provisions of that Regulation. Following the entry into force of the Lisbon Treaty, it is appropriate to align those powers to Articles 290 and 291 of the Treaty on the Functioning of the European Union (TFEU). Such alignment should be done, where appropriate, through the granting of delegated powers to the Commission and by applying certain procedures set out in

Regulation (EU) No 182/2011 of the European Parliament and of the Council. To that end, implementing powers conferred on the Commission by that Regulation should be replaced by powers to adopt delegated and implementing acts.

Amendment 8

Proposal for a regulation Article 1 a (new)

Text proposed by the Commission

Amendment

Article 1 a

The Union's portion of tariff rate quotas as laid down in Article 1 shall be determined by applying the following procedure:

- (1) the Union's usage share of imports, in percentages, for each individual tariff rate quota shall be established, over a recent representative three-year period;*
- (2) the Union's usage share of imports, in percentages, shall be applied to the entire scheduled tariff rate quota volume to arrive at its share in volume of a given tariff rate quota;*
- (3) for individual tariff rate quotas for which no trade can be observed during the representative period laid down in point 1, the Union's portion shall instead be established, by following the procedure laid down in point 2, on the basis of, the Union's usage share of imports, in percentages, of another tariff rate quota with the exact same product definition, or in the corresponding tariff lines outside of the tariff rate quota.*

Amendment 9

Proposal for a regulation Article 2

Text proposed by the Commission

Amendment

Article 2

deleted

Annex I to Council Regulation (EC) No 32/2000 shall be replaced by the text in Part B of the Annex to this Regulation.

Amendment 10

Proposal for a regulation

Article 3 – paragraph 1 – introductory part

Text proposed by the Commission

Amendment

The Commission is empowered to adopt delegated acts in accordance with Article 4 to amend *the* Annex to this Regulation *and Annex I to Regulation (EC) No 32/2000* in order to take account of the following:

The Commission is empowered to adopt delegated acts in accordance with Article 4 to amend *part A of the* Annex to this Regulation in order to take account of the following, *while ensuring consistency with the common methodology agreed jointly with the United Kingdom and in particular ensuring that the market access into the Union as composed after the withdrawal of the United Kingdom does not exceed that which is reflected in the share of trade flows during a representative period:*

Amendment 11

Proposal for a regulation

Article 3 – paragraph 1 – point b

Text proposed by the Commission

Amendment

(b) pertinent information that it may receive either in the context of negotiations under Article XXVIII of the General Agreement on Tariffs and Trade 1994 or *through* other *means*.

(b) pertinent information that it may receive either in the context of negotiations under Article XXVIII of the General Agreement on Tariffs and Trade 1994 or *from* other *sources with an interest in a specific tariff quota*.

Amendment 12

Proposal for a regulation Article 3 a (new)

Text proposed by the Commission

Amendment

Article 3 a

*Council Regulation (EC) No 32/2000
shall be amended as follows:*

*(1) In Article 6, paragraph 2 is
replaced by the following:*

*“2. The decision to withdraw temporarily,
in whole or in part, entitlement to the
tariff quotas referred to in paragraph 1
shall be adopted by means of
implementing acts, following appropriate
prior consultations undertaken by the
Commission with the beneficiary country
in question. Those implementing acts
shall be adopted in accordance with the
examination procedure referred to in
Article 10(2).”*

*(2) In Article 9, paragraph 1 is
replaced by the following:*

*“1. The Commission is empowered to
adopt delegated acts in accordance with
Article 10a to amend Annexes I - VII:*

*(a) where amendments and technical
adjustments are necessitated by changes
in the Combined Nomenclature and Taric
codes;*

*(b) where adjustments are made
necessary by:*

*—the conclusion by the Council of
agreements or exchanges of letters within
the framework of the GATT or
compliance with the Union’s contractual
obligations to certain countries within the
framework of the GATT, or*

*—extension of the scheme of generalised
preferences in respect of jute and
coconut-fibre products;*

*(c) to add developing countries to the
lists contained in Annexes IV and V at the*

official request of an applicant country that offers the necessary guarantees for checking the authenticity of these products;

(d) where amendments and adjustments are required to the definitions for hand-made products and handloom fabrics as well as to the specimen certificates of authenticity;

1a. Any amendment to Annex I, as laid down in paragraph 1, that results from United Kingdom's withdrawal from the Union:

(a) shall ensure consistency with the common methodology agreed jointly with the United Kingdom and in particular ensure that the market access into the Union as composed after the withdrawal of the United Kingdom does not exceed that which is reflected in the share of trade flows during a representative period; and

(b) may also be adopted to take account of pertinent information that the Commission may receive either in the context of negotiations under Article XXVIII of the General Agreement on Tariffs and Trade 1994 or from other sources with an interest in a specific tariff quota”.

(3) Article 10 shall be replaced by the following:

“1. The Commission shall be assisted by the Customs Code Committee instituted by Article 285 of Regulation (EU) No 952/2013.

2. Where reference is made to this paragraph, Article 5 of Regulation (EU) No 182/2011 shall apply.”

(4) The following Article is inserted:

“Article 10a

1. The power to adopt delegated acts is conferred on the Commission subject to the conditions laid down in this Article.

2. The power to adopt delegated acts referred to in Article 9 shall be conferred on the Commission for a period of five years from ... [date of entry into force of this amending Regulation]. The Commission shall draw up a report in respect of the delegation of power not later than nine months before the end of the five-year period. The delegation of power shall be tacitly extended for periods of an identical duration, unless the European Parliament or the Council opposes such extension not later than three months before the end of each period.

3. The delegation of power referred to in Article 9 may be revoked at any time by the European Parliament or by the Council. A decision to revoke shall put an end to the delegation of the power specified in that decision. It shall take effect the day following the publication of the decision in the Official Journal of the European Union or at a later date specified therein. It shall not affect the validity of any delegated acts already in force.

4. Before adopting a delegated act, the Commission shall consult experts designated by each Member State in accordance with the principles laid down in the Interinstitutional Agreement of 13 April 2016 on Better Law-Making.

5. As soon as it adopts a delegated act, the Commission shall notify it simultaneously to the European Parliament and to the Council.

6. A delegated act adopted pursuant to Article 9 shall enter into force only if no objection has been expressed either by the European Parliament or by the Council within a period of two months of notification of that act to the European Parliament and the Council or if, before the expiry of that period, the European Parliament and the Council have both informed the Commission that they will

not object. That period shall be extended by two months at the initiative of the European Parliament or of the Council.”

(5) Annex I is replaced by Part B of the Annex to this Regulation.

Amendment 13

Proposal for a regulation Article 4 – paragraph 2

Text proposed by the Commission

(2) The power to adopt delegated acts referred to in Article 3 shall be conferred on the Commission for a period of **[4]** years from the date of entry into force of this Regulation.

Amendment

(2) The power to adopt delegated acts referred to in Article 3 shall be conferred on the Commission for a period of **five** years from the date of entry into force of this Regulation. ***The Commission shall draw up a report in respect of the delegation of power not later than nine months before the end of the five-year period. The delegation of power shall be tacitly extended for periods of an identical duration, unless the European Parliament or the Council opposes such extension not later than three months before the end of each period.***

Amendment 14

Proposal for a regulation Article 4 – paragraph 4

Text proposed by the Commission

(4) Before adopting a delegated act, the Commission shall consult experts designated by each Member State in accordance with the principles laid down in the Interinstitutional Agreement on Better Law-Making **of 13 April 2016**.

Amendment

(4) Before adopting a delegated act, the Commission shall consult experts designated by each Member State in accordance with the principles laid down in the Interinstitutional Agreement **of 13 April 2016** on Better Law-Making. ***To ensure equal access to all information, the European Parliament and the Council shall receive all documents at the same time as Member States' experts.***

Amendment 15

Proposal for a regulation

Article 4 – paragraph 6

Text proposed by the Commission

(6) A delegated act adopted pursuant to Article 3 shall enter into force only if no objection has been expressed either by the European Parliament or by the Council within a period of [two months] of notification of that act to the European Parliament and the Council or if, before the expiry of that period, the European Parliament and the Council have both informed the Commission that they will not object. That period shall be extended by [*one month*] at the initiative of the European Parliament or of the Council.

Amendment

(6) A delegated act adopted pursuant to Article 3 shall enter into force only if no objection has been expressed either by the European Parliament or by the Council within a period of [two months] of notification of that act to the European Parliament and the Council or if, before the expiry of that period, the European Parliament and the Council have both informed the Commission that they will not object. That period shall be extended by [*two months*] at the initiative of the European Parliament or of the Council.

Amendment 16

Proposal for a regulation

Article 4 – paragraph 2

Text proposed by the Commission

Articles 1 and 2 shall apply from the date on which Union law ceases to apply to the United Kingdom in accordance with an agreement concluded by the Union and the United Kingdom pursuant to Article 50 of the Treaty on European Union or, in the absence of such an agreement, from 30 March 2019.

Amendment

Article 1 and **Article 3a new(5)** shall apply from the date on which Union law ceases to apply to the United Kingdom in accordance with an agreement concluded by the Union and the United Kingdom pursuant to Article 50 of the Treaty on European Union or, in the absence of such an agreement, from 30 March 2019.

(The numbering of the Articles is not correct in the Commission's proposal. There are two articles numbered as 4 by mistake)

EXPLANATORY STATEMENT

On 29 March 2017, the Government of the United Kingdom (UK) notified the European Council of the UK's intention to withdraw from the European Union (EU) of which it is currently a Member State. Thus, it is anticipated that the UK will cease to be a Member State of the EU as from 30 March 2019. In this context, it is necessary to address the apportionment of the respective EU and UK tariff rate quotas included in the EU's WTO schedule of concessions and commitments annexed to the GATT 1994.

The EU is conducting negotiations with third countries under GATT Article XXVIII to modify EU WTO schedule where it contains tariff rate quota volumes. It is however not certain that all these negotiations would be concluded by agreement within the time before the UK is no longer covered under the EU's WTO schedule. It is therefore necessary to ensure that, in the absence of such agreements, the EU can nevertheless proceed with the apportionment of the tariff rate quotas by modifying the WTO tariff concessions and that the Commission is given the necessary powers to consequently amend the relevant EU provisions on the opening and implementation of the relevant tariff rate quotas.

The proposal lists how tariff rate quotas figuring in the EU's WTO schedule of concessions and commitments will be apportioned between the EU and the UK. It also gives the Commission the power to modify this apportionment by delegated acts should it become necessary following the later concluded agreements with third countries. Tariff rate quotas for agricultural and non-agricultural products are concerned.

The rapporteur agrees with the general spirit and objectives of the proposal, as the EU should be equipped with all necessary tools not to have trade with third countries disrupted after the departure of the UK from the EU, and in the event that it is not possible to conclude appropriate agreements with third countries in good time. The rapporteur proposes nevertheless some amendments to the proposal, as described hereafter.

Firstly, in the interest of legal clarity it is necessary to enshrine in the provisions of the regulation, not only recitals, the methodology that is at the basis of the apportionment of existing tariff rate quotas between the EU and the UK.

Secondly, the scope of the delegation of powers to the Commission as currently provided under Article 3 should be further clarified.

Finally, this draft report addresses an issue that the rapporteur considers, the Commission should have addressed directly in the proposal. Namely, the proposal includes a delegation of power that would have the effect of modifying Annex I to Regulation (EC) No 32/2000¹. Under Article 290 TFEU an empowerment to adopt delegated acts, under one legislative act cannot have the effect of modifying another legislative act (that is, to modify another legislative act the delegation of powers has to be contained therein). The rapporteur notes that Regulation (EC) No 32/2000, despite the commitments undertaken as of latest, in particular,

¹ Council Regulation (EC) No 32/2000 of 17 December 1999 opening and providing for the administration of Community tariff quotas bound in GATT and certain other Community tariff quotas and establishing detailed rules for adjusting the quotas, and repealing Council Regulation (EC) No 1808/95 (OJ L 5, 8.1.2000, p. 1).

in paragraph 27 of the Interinstitutional Agreement on Better Law-Making of 13 April 2016¹, has not been aligned to the provisions of Article 290 and 291 TFEU. As an example, it should be noted that all main legislative acts in the area of trade policy were aligned to delegated and implementing acts already in 2014 by the so-called Trade Omnibus I² and Trade Omnibus II³. Therefore the rapporteur sees no choice but to incorporate the alignment to delegated and implementing acts of Regulation (EC) 32/2000 in the current regulation.

Furthermore, given the general uncertainty with regard to the process of the UK's withdrawal from the EU, the delegation of power should have a renewable duration, as is the general practice.

¹ Interinstitutional Agreement between the European Parliament, the Council of the European Union and the European Commission on Better Law-Making (OJ L 123, 12.5.2016, p. 1–14.)

² Regulation (EU) No 37/2014 of the European Parliament and of the Council of 15 January 2014 amending certain regulations relating to the common commercial policy as regards the procedures for the adoption of certain measures (OJ L 18, 21.1.2014, p. 1–51).

³ Regulation (EU) No 38/2014 of the European Parliament and of the Council of 15 January 2014 amending certain regulations relating to the common commercial policy as regards the granting of delegated and implementing powers for the adoption of certain measures (OJ L 18, 21.1.2014, p. 52–69).

24.10.2018

OPINION OF THE COMMITTEE ON AGRICULTURE AND RURAL DEVELOPMENT

for the Committee on International Trade

on the proposal for a regulation of the European Parliament and of the Council on the apportionment of tariff rate quotas included in the WTO schedule of the Union following the withdrawal of the United Kingdom from the Union and amending Council Regulation (EC) No 32/2000
(COM(2018)0312 – C8-0202/2018 – 2018/0158(COD))

Rapporteur for opinion: Matt Carty

SHORT JUSTIFICATION

The Tariff Rate Quota (TRQ) is a key instrument for the management and control of external competition to the European Union's agri-food sector. By confining imports to a pre-determined quota level, combined with an unattractive out-of-quota tariff level, sensitive or vulnerable domestic sectors are protected from unfair competition. This instrument is commonly used both in the multilateral framework of the WTO and in the bilateral framework of free trade agreements (FTAs).

Over the years, the number of European Union's TRQs in the WTO has increased to reflect in particular compensation given in the context of EU enlargements or in the settlement of trade disputes (e.g. beef hormones, frozen boneless chicken cuts). The impending exit of the United Kingdom (UK) from the EU brings about the need to reapportion the entire list of WTO TRQs between the EU and UK in order to reflect the actual usage of TRQs by both parties. Failure to do so according to a clear and objective methodology has the potential to flood markets, create trade diversion of domestic products, and ultimately affect the prices primary producers receive for their product.

Unsurprisingly, agricultural products dominate the EU's list at 87 TRQs, with meats, cereals and dairy products representing the three largest number of quotas. This shows the sensitivities of these, and other agricultural sectors to competition, and the need for the present Regulation to be fair and accurate in its reapportionment exercise.

As regards the apportionment, the European Commission's proposal follows the methodology jointly agreed with the UK of looking at the usage share of each given quota. The Rapporteur

agrees that the division of TRQs based on a calculation of each party's share of imports under a representative period of 2013-2015 is a logical and objectively fair way of dealing with the present situation. Without making any substantive changes to the methodology, the Rapporteur proposes an amendment highlighting that the application of the usage share is applied to the entire scheduled tariff rate quota regardless of any under fill.

In the application of this methodology, the Commission proposes launching a procedure under Article XXVIII of the General Agreement on Tariffs and Trade 1994 to engage with WTO members who are principal suppliers, have a substantial interest in renegotiations or who hold initial negotiating rights. For this process, the Rapporteur believes that it is vital to stress that the mandate to negotiate does not in any way extend to a renegotiation of the general terms of access nor any increase in overall volumes. This of course should include the need to maintain current equilibrium, for example where limited transferability is permitted between the High Quality Beef and Veal (HQBv) Scheme and the Autonomous Beef Quota (ABQ).

Your Rapporteur recognises that the nature of these negotiations, and uncertainty surrounding the actual date and terms of withdrawal of the United Kingdom, mean that there may be a need for modifications to the division of concessions listed in the Annex.

In some instances, this will of course be a necessity. In the absence of any other solution on the commitment to avoid a hard border on the island of Ireland, the UK and EU have agreed that Northern Ireland shall remain in "full alignment" with the EU's Single Market and Customs Union - the so-called *Backstop Proposal*. In this eventuality, there will need to be a full reapportionment of the TRQs listed the Annex to the Regulation to take account of goods licensed, or imported to Northern Ireland.

There may also be a need to search for a new data set for reapportionment where, for example, SPS measures during the 2013-2015 reference period caused disruptions to trade with a certain WTO partner meaning the information does not properly reflect reality.

Finally in some instances, where the usage share of the UK TRQ is so small, the division of quotas according to the proposed methodology will create a resultant smaller TRQ that WTO partners may argue is insufficient to warrant a separate shipment.

The Rapporteur believes that amendments according to all of the above instances will involve political decisions, that have the ability to affect highly sensitive agricultural sectors.

For these reasons, the European Commission should not hold unlimited discretionary power to amend the apportionment of TRQs without any need to receive Parliament's consent as foreseen by the Treaties. Full transparency and legislative scrutiny must be respected in these instances. The Commission should only be empowered to adopt Delegated Acts where an international agreement has been concluded, since Parliament's consent will be required in these cases in any case. For all other amendments to the divisions, the Rapporteur insists that the Commission shall submit a legislative proposal to the European Parliament and the Council under the procedure dictated by the Treaties.

AMENDMENTS

The Committee on Agriculture and Rural Development calls on the Committee on International Trade, as the committee responsible, to take into account the following amendments:

Amendment 1

Proposal for a regulation

Recital 2

Text proposed by the Commission

(2) The United Kingdom's withdrawal from the Union will have effects on the relations of the United Kingdom and the Union with third parties, in particular in the context of the World Trade Organization (WTO) of which both are original members.

Amendment

(2) The United Kingdom's withdrawal from the Union will have effects on the relations of the United Kingdom and the Union with third parties, in particular in the context of the World Trade Organization (WTO) of which both are original members. ***As this process will be on-going at the same time as the MFF negotiations, and taking into account the share dedicated to the agricultural sector in the MFF, this could expose that sector to a great extent, and as such a certain degree of caution will be required during the course of those negotiations.***

Amendment 2

Proposal for a regulation

Recital 3 a (new)

Text proposed by the Commission

Amendment

(3a) It should be recalled that, in matters relating to the General Agreement on Tariffs and Trade (GATT), signed in Geneva in 1947, and the Agreement establishing the World Trade Organisation (WTO), signed in Marrakesh in 1994, the Union and its Member States act under Articles 207 (common commercial policy), 217 and 218 (international agreements) of the Treaty on the Functioning of the

Amendment 3

Proposition de règlement

Recital 4

Text proposé par la Commission

(4) In line with the WTO rules, such apportionment of tariff rate quotas that are part of the Union's schedule of concessions and commitments will have to occur according to Article XXVIII of the General Agreement on Tariffs and Trade 1994 ('GATT 1994'). The Union will, therefore, following completion of preliminary contacts, engage in negotiations with WTO Members having a principal or substantial supplying interest or holding an initial negotiating right in relation to each of these tariff rate quotas.

Amendement

(4) In line with the WTO rules, such as apportionment of tariff rate quotas that are part of the Union's schedule of concessions and commitments will have to occur according to Article XXVIII of the General Agreement on Tariffs and trade 1994 ('GATT 1994'). The Union will, therefore, following completion of preliminary contacts, engage in negotiations with WTO Members having a principal or substantial supplying interest of holding an initial negotiating right in relation to each of these tariff rate quotas. ***Those negotiations should remain limited in scope and in no way extend to a renegotiation of the general terms of access, nor degree of market access of products to the Union market.***

Amendment 4

Proposal for a regulation

Recital 5

Text proposed by the Commission

(5) However, given the time limits imposed on this process by the negotiations on the United Kingdom's withdrawal from the Union, it is possible that agreements may not be concluded with all WTO Members concerned in relation to all of the tariff rate quotas on the date Union's WTO schedule of concessions and commitments on trade in goods cease to apply to the United Kingdom. In view of the need to ensure legal certainty and the continuous

Amendment

(5) However, given the time limits imposed on this process by the negotiations on the United Kingdom's withdrawal from the Union ***and the as yet unclear outcome of the negotiations***, it is possible that agreements may not be concluded with all WTO Members concerned in relation to all of the tariff rate quotas on the date Union's WTO schedule of concessions and commitments on trade in goods cease to apply to the United Kingdom. In view of

smooth operation of imports under the tariff rate quotas to the Union and the United Kingdom it is necessary for the Union to be able to proceed unilaterally to the apportionment of the tariff rate quotas. The methodology used should be in line with the requirements of Article XXVIII of the GATT 1994.

the need to ensure legal certainty, ***in particular the protection of consumers and the wellbeing of farmers***, and the continuous smooth operation of imports under the tariff rate quotas to the Union and the United Kingdom it is necessary for the Union to be able to proceed unilaterally to the apportionment of the tariff rate quotas. The methodology used should be in line with the requirements of Article XXVIII of the GATT 1994. ***In particular, for the part relating to the common agricultural policy (CAP), should a dispute arise in relation to the apportionment decided upon, the measure in question will be submitted for examination by the WTO Dispute Settlement Body (DSB), ensuring that the signatory States comply with the new multilateral rules, but without this preventing application of the tariff quota established unilaterally by the Union in the meantime.***

Amendment 5

Proposal for a regulation Recital 6

Text proposed by the Commission

(6) The following methodology should therefore be used: in a first step the United Kingdom's usage share for each individual tariff rate quota should be established. The usage share, expressed as a percentage, is the United Kingdom's share of total Union imports under the tariff rate quota over a recent representative three year period. This usage share should then be applied to the entire scheduled tariff rate quota volume to arrive at the United Kingdom's share of a given tariff rate quota. The Union's share would then consist of the remainder of the tariff rate quota in question. This means the total volume of a given tariff rate quota is not changed (that is to say EU-27 volume = current EU-28

Amendment

(6) The following methodology should therefore be used: in a first step the United Kingdom's usage share for each individual tariff rate quota should be established. The usage share, expressed as a percentage, is the United Kingdom's share of total Union imports under the tariff rate quota over a recent representative three year period. This usage share should then be applied to the entire scheduled tariff rate quota volume, ***taking into account any under fill***, to arrive at the United Kingdom's share of a given tariff rate quota. The Union's share would then consist of the remainder of the tariff rate quota in question. This means the total volume of a given tariff rate quota is not changed (that

volume – United Kingdom volume). The underlying data should be extracted from the relevant Commission databases.

is to say EU-27 volume = current EU-28 volume – United Kingdom volume). The underlying data should be extracted from the relevant Commission databases.

Amendment 6

Proposal for a regulation

Recital 6 a (new)

Text proposed by the Commission

Amendment

(6a) The methodology for the usage share for each individual tariff rate quota has been established and agreed by the Union and the United Kingdom, in line with the requirements of Article XXVIII of the GATT 1994, and thus the established and agreed methodology should be wholly maintained to ensure a consistent application of the methodology.

Amendment 7

Proposal for a regulation

Recital 8

Text proposed by the Commission

Amendment

(8) For the agricultural TRQs concerned, Articles 184-188 of Regulation (EU) No 1308/2013¹ **provides** the necessary legal basis for administration of the TRQs once apportioned by the present Regulation. For the TRQs covering fisheries, industrial and certain processed agricultural products, administration is carried out pursuant to Regulation (EC) No 32/2000². The TRQ quantities concerned are set out in Annex I to that Regulation, which should therefore be replaced by the quantities set out in Part B of the Annex to the present Regulation.

(8) For the agricultural TRQs concerned, Articles 184-188 of Regulation (EU) No 1308/2013¹ **provide** the necessary legal basis for administration of the TRQs once apportioned by the present Regulation. ***That administration must therefore be carried out in accordance with the European agricultural model, based on the multi-functionality of agricultural activity, with emphasis also on explicit recognition of non-commercial considerations and catering for the needs of the public in the field of food safety, environmental protection, food quality and animal welfare.*** For the TRQs covering fisheries, industrial and certain processed agricultural products, administration is carried out pursuant to

Regulation (EC) No 32/2000². The TRQ quantities concerned are set out in Annex I to that Regulation, which should therefore be replaced by the quantities set out in Part B of the Annex to the present Regulation.

¹ Regulation (EU) No 1308/2013 of the European Parliament and of the Council of 17 December 2013 establishing a common organisation of the markets in agricultural products and repealing Council Regulations (EEC) No 922/72, (EEC) No 234/79, (EC) No 1037/2001 and (EC) No 1234/2007 (OJ L 347, 20.12.2013, p. 671)

² Council Regulation (EC) No 32/2000 of 17 December 1999 opening and providing for the administration of Community tariff quotas bound in GATT and certain other Community tariff quotas and establishing detailed rules for adjusting the quotas, and repealing Council Regulation (EC) No 1808/95 (OJ L 5, 8.1.2000, p. 1).

¹ Regulation (EU) No 1308/2013 of the European Parliament and of the Council of 17 December 2013 establishing a common organisation of the markets in agricultural products and repealing Council Regulations (EEC) No 922/72, (EEC) No 234/79, (EC) No 1037/2001 and (EC) No 1234/2007 (OJ L 347, 20.12.2013, p. 671).

² Council Regulation (EC) No 32/2000 of 17 December 1999 opening and providing for the administration of Community tariff quotas bound in GATT and certain other Community tariff quotas and establishing detailed rules for adjusting the quotas, and repealing Council Regulation (EC) No 1808/95 (OJ L 5, 8.1.2000, p. 1).

Justification

Amendment referencing the founding principles of the Agreement on Agriculture in GATT, so that these are also applied to the design and implementation of this apportionment of tariff quotas.

Amendment 8

Proposal for a regulation Recital 9

Text proposed by the Commission

(9) Taking into account that negotiations with affected WTO Members will be taking place simultaneously with the ordinary legislative procedure for the adoption of this Regulation the power to adopt acts in accordance with Article 290 of the Treaty on the Functioning of the European Union should be delegated to the Commission to amend the Annex to this Regulation and Annex I to Regulation (EC) No 32/2000 with respect to the quantities

Amendment

(9) Taking into account that negotiations with affected WTO Members will be taking place simultaneously with the ordinary legislative procedure for the adoption of this Regulation the power to adopt acts in accordance with Article 290 of the Treaty on the Functioning of the European Union should be delegated to the Commission to amend the Annex to this Regulation and Annex I to Regulation (EC) No 32/2000 with respect to the quantities

of the apportioned tariff rate quotas listed therein, in order to take account of any agreements concluded or of pertinent information that it may receive in the context of these negotiations which would indicate that specific factors that were not previously known require an adjustment to the apportionment of the tariff quotas between the Union and the United Kingdom. ***The same possibility should also be provided where such information becomes available outside such negotiations.***

Amendement 9

Proposition de règlement Recital 9 a (new)

Texte proposé par la Commission

of the apportioned tariff rate quotas listed therein. ***This should only be*** in order to take account of any ***international*** agreements concluded or of pertinent information that it may receive, ***either*** in the context of these negotiations ***or outside them***, which would indicate that specific factors that were not previously known require an adjustment to the apportionment of the tariff quotas between the Union and the United Kingdom.

Amendement

(9a) Where pertinent information has been received during the course of negotiations which would necessitate an adjustment to the tariff rate quotas, other than the conclusion of an international agreement, the Commission shall respect the procedures provided for under Article 207(4) and Article 218(6) of the Treaty on the Functioning of the European Union.

Amendment 10

Proposal for a regulation Recital 10 a (new)

Text proposed by the Commission

Amendment

(10a) The United Kingdom's withdrawal from the Union will have an impact on the United Kingdom's and the Union's relations with third countries which are at present parties to a bilateral free trade agreement with the European Union of 28 members. The Commission should also deal with this issue in order to ensure

legal certainty for economic operators and avoid surplus tariff quotas which could destabilise the EU27 market.

Amendment 11

Proposal for a regulation

Article 3 – paragraph 1 – introductory part

Text proposed by the Commission

The Commission is empowered to adopt delegated acts in accordance with Article 4 to amend the Annex to this Regulation and Annex I to Regulation (EC) No 32/2000 in order to take account of the following:

Amendment

The Commission is empowered to adopt delegated acts in accordance with Article 4 to amend the Annex to this Regulation and Annex I to Regulation (EC) No 32/2000, ***while taking care not to extend the current level of market access***, in order to take account of the following:

Amendment 12

Proposal for a regulation

Article 4 – paragraph 2

Text proposed by the Commission

(2) The power to adopt delegated acts referred to in Article 3 shall be conferred on the Commission for a period of [4] years from the date of entry into force of this Regulation.

Amendment

(2) The power to adopt delegated acts referred to in Article 3 shall be conferred on the Commission for a period of [2] years from the date of entry into force of this Regulation.

Amendment 13

Proposal for a regulation

Article 4 – paragraph 4

Text proposed by the Commission

(4) Before adopting a delegated act, the Commission shall consult experts designated by each Member State in accordance with the principles laid down in the Interinstitutional Agreement on Better Law-Making of 13 April 2016.

Amendment

(4) Before adopting a delegated act, the Commission shall consult experts designated by each Member State in accordance with the principles laid down in the Interinstitutional Agreement on Better Law-Making of 13 April 2016. ***To ensure equal access to all information, the***

***European Parliament and the Council
shall receive all documents at the same
time as Member States' experts.***

Amendment 14

Proposal for a regulation Article 4 – paragraph 6

Text proposed by the Commission

(6) A delegated act adopted pursuant to Article 3 shall enter into force only if no objection has been expressed either by the European Parliament or by the Council within a period of [two months] of notification of that act to the European Parliament and the Council or if, before the expiry of that period, the European Parliament and the Council have both informed the Commission that they will not object. That period shall be extended by [one ***month***] at the initiative of the European Parliament or of the Council.

Amendment

(6) A delegated act adopted pursuant to Article 3 shall enter into force only if no objection has been expressed either by the European Parliament or by the Council within a period of [two months] of notification of that act to the European Parliament and the Council or if, before the expiry of that period, the European Parliament and the Council have both informed the Commission that they will not object. That period shall be extended by [one ***month/or as requested but no more than 40 working days***] at the initiative of the European Parliament or of the Council.

PROCEDURE – COMMITTEE ASKED FOR OPINION

Title	Apportionment of tariff rate quotas included in the WTO schedule of the Union following the withdrawal of the United Kingdom from the Union and amending Council Regulation (EC) No 32/2000						
References	COM(2018)0312 – C8-0202/2018 – 2018/0158(COD)						
Committee responsible Date announced in plenary	INTA 31.5.2018						
Opinion by Date announced in plenary	AGRI 31.5.2018						
Rapporteur Date appointed	Matt Carthy 4.7.2018						
Date adopted	22.10.2018						
Result of final vote	<table> <tr> <td>+: </td><td>36</td></tr> <tr> <td>–: </td><td>5</td></tr> <tr> <td>0: </td><td>0</td></tr> </table>	+:	36	–:	5	0:	0
+:	36						
–:	5						
0:	0						
Members present for the final vote	John Stuart Agnew, Clara Eugenia Aguilera García, Eric Andrieu, Daniel Buda, Nicola Caputo, Matt Carthy, Paolo De Castro, Albert Deß, Jørn Dohrmann, Herbert Dorfmann, Norbert Erdős, Luke Ming Flanagan, Karine Gloanec Maurin, Martin Häusling, Anja Hazekamp, Esther Herranz García, Peter Jahr, Jarosław Kalinowski, Zbigniew Kuźmiuk, Norbert Lins, Philippe Loiseau, Mairead McGuinness, Nuno Melo, Giulia Moi, James Nicholson, Maria Noichl, Marijana Petir, Bronis Ropè, Maria Lidia Senra Rodríguez, Ricardo Serrão Santos, Czesław Adam Siekierski, Marc Tarabella, Maria Gabriela Zoană, Marco Zullo						
Substitutes present for the final vote	Franc Bogovič, Elsi Katainen, Anthea McIntyre, Momchil Nekov, Sofia Ribeiro, Molly Scott Cato						
Substitutes under Rule 200(2) present for the final vote	John Flack						

FINAL VOTE BY ROLL CALL IN COMMITTEE ASKED FOR OPINION

36	+
ALDE	Elsi Katainen
ECR	Zbigniew Kuźmiuk
EFDD	Giulia Moi, Marco Zullo
ENF	Philippe Loiseau
GUE/NGL	Matt Carthy, Luke Ming Flanagan, Anja Hazekamp, Maria Lidia Senra Rodríguez
PPE	Franc Bogovič, Daniel Buda, Albert Deß, Herbert Dorfmann, Norbert Erdős, Esther Herranz García, Peter Jahr, Jarosław Kalinowski, Norbert Lins, Mairead McGuinness, Nuno Melo, Marijana Petir, Sofia Ribeiro, Czesław Adam Siekierski
S&D	Clara Eugenia Aguilera García, Eric Andrieu, Nicola Caputo, Paolo De Castro, Karine Gloanec Maurin, Karin Kadenbach, Momchil Nekov, Maria Noichl, Ricardo Serrão Santos, Marc Tarabella
VERTS/ALE	Martin Häusling, Bronis Ropé, Molly Scott Cato

5	-
ECR	Jørn Dohrmann, John Flack, Anthea McIntyre, James Nicholson
EFDD	John Stuart Agnew

0	0
-	-

Key to symbols:

+ : in favour

- : against

0 : abstention

PROCEDURE – COMMITTEE RESPONSIBLE

Title	Apportionment of tariff rate quotas included in the WTO schedule of the Union following the withdrawal of the United Kingdom from the Union and amending Council Regulation (EC) No 32/2000		
References	COM(2018)0312 – C8-0202/2018 – 2018/0158(COD)		
Date submitted to Parliament	22.5.2018		
Committee responsible Date announced in plenary	INTA 31.5.2018		
Committees asked for opinions Date announced in plenary	ITRE 31.5.2018	AGRI 31.5.2018	PECH 31.5.2018
Not delivering opinions Date of decision	ITRE 19.6.2018	PECH 20.6.2018	
Rapporteurs Date appointed	Godelieve Quisthoudt-Rowohl 20.6.2018		
Discussed in committee	10.7.2018	27.9.2018	
Date adopted	5.11.2018		
Result of final vote	+: -: 0:	32 0 5	
Members present for the final vote	Maria Arena, Tiziana Beghin, David Borrelli, Salvatore Cicu, Christofer Fjellner, Eleonora Forenza, Karoline Graswander-Hainz, Christophe Hansen, Heidi Hautala, Nadja Hirsch, Yannick Jadot, France Jamet, Jude Kirton-Darling, Patricia Lalonde, Bernd Lange, David Martin, Emmanuel Maurel, Anne-Marie Mineur, Sorin Moisă, Alessia Maria Mosca, Franck Proust, Godelieve Quisthoudt-Rowohl, Inmaculada Rodríguez-Piñero Fernández, Tokia Saïfi, Helmut Scholz, Joachim Schuster, Adam Szejnfeld, Iuliu Winkler		
Substitutes present for the final vote	Syed Kamall, Sajjad Karim, Sander Loones, José Ignacio Salafranca Sánchez-Neyra, Ramon Tremosa i Balcells, Jarosław Wałęsa		
Substitutes under Rule 200(2) present for the final vote	Georges Bach, John Flack, Norbert Lins		
Date tabled	8.11.2018		

FINAL VOTE BY ROLL CALL IN COMMITTEE RESPONSIBLE

32	+
ALDE	Nadja Hirsch, Patricia Lalonde, Ramon Tremosa i Balcells
EFDD	Tiziana Beghin
GUE/NGL	Eleonora Forenza, Anne-Marie Mineur, Helmut Scholz
NI	David Borrelli, Emmanuel Maurel
PPE	Georges Bach, Salvatore Cicu, Christofer Fjellner, Christophe Hansen, Norbert Lins, Sorin Moisă, Franck Proust, Godelieve Quisthoudt-Rowohl, Tokia Saïfi, José Ignacio Salafranca Sánchez-Neyra, Adam Szejnfeld, Jarosław Wałęsa, Iuliu Winkler
S&D	Maria Arena, Karoline Graswander-Hainz, Jude Kirton-Darling, Bernd Lange, David Martin, Alessia Maria Mosca, Inmaculada Rodríguez-Piñero Fernández, Joachim Schuster
VERTS/ALE	Heidi Hautala, Yannick Jadot

0	-

5	0
ECR	John Flack, Syed Kamall, Sajjad Karim, Sander Loones
ENF	France Jamet

Key to symbols:

+ : in favour

- : against

0 : abstention