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REPORT

on the proposal for a Council Regulation on the common organisation of the markets in fishery and aquaculture products (COM(1999) 055 - C4-0141/1999 - 1999/0047(CNS))

Committee on Fisheries

Rapporteur: Carmen Fraga Estévez

<i>Symbols for procedures</i>	<i>Abbreviations for committees</i>
* Consultation procedure <i>majority of the votes cast</i>	I. AFET Committee on Foreign Affairs, Human Rights, Common Security and Defence Policy
**I Cooperation procedure (first reading) <i>majority of the votes cast</i>	II. BUDG Committee on Budgets
**II Cooperation procedure (second reading) <i>majority of the votes cast, to approve the common position majority of Parliament's component Members, to reject or amend the common position</i>	III. CONT Committee on Budgetary Control
*** Assent procedure <i>majority of Parliament's component Members to give assent majority of the votes cast in cases covered by Articles 105, 107, 161 and 300 of the EC Treaty and Article 7 of the EU Treaty</i>	IV. LIBE Committee on Citizens' Freedoms and Rights, Justice and Home Affairs
***I Codecision procedure (first reading) <i>majority of the votes cast</i>	V. ECON Committee on Economic and Monetary Affairs
***II Codecision procedure (second reading) <i>majority of the votes cast, to approve the common position majority of Parliament's component Members, to reject or amend the common position</i>	VI. JURI Committee on Legal Affairs and the Internal Market
***III Codecision procedure (third reading) <i>majority of the votes cast, to approve the joint text</i>	VII. INDU Committee on Industry, External Trade, Research and Energy
(The type of procedure depends on the legal basis proposed by the Commission)	VIII. EMPL Committee on Employment and Social Affairs
	IX. ENVI Committee on the Environment, Public Health and Consumer Policy
	X. AGRI Committee on Agriculture and Rural Development
	XI. PECH Committee on Fisheries
	XII. REGI Committee on Regional Policy, Transport and Tourism
	XIII. CULT Committee on Culture, Youth, Education, the Media and Sport
	XIV. DEVE Committee on Development and Cooperation
	XV. AFCO Committee on Constitutional Affairs
	XVI. FEMM Committee on Women's Rights and Equal Opportunities
	XVII. PETI Committee on Petitions

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PROCEDURAL PAGE - CONSULTATION

By letter of 10 March 1999 the Council consulted Parliament, pursuant to Article 37 of the EC Treaty, on the proposal for a Council Regulation on the common organisation of the markets in fishery and aquaculture products (COM(1999) 055 - 1999/0047(CNS)).

At the sitting of 12 March 1999 the President of Parliament announced that he had referred this proposal to the Committee on Fisheries as the committee responsible and the Committee on Budgets for its opinion C4-0141/1999.

At its meeting of 19 January 1999 the Committee on Fisheries had appointed Carmen Fraga Estévez rapporteur and on 27 July 1999 she was confirmed as rapporteur.

It considered the Commission proposal and the draft report at its meetings of 17 February, 19 April, 1 September, 22 September, 11 October and 22 November 1999.

At the last meeting it adopted the draft legislative resolution by 11 votes to 1, with 3 abstentions.

The following were present for the vote: Varela Suanzes-Carpegna, chairman; Miguélez Ramos, vice-chairman; Fraga Estévez, rapporteur; Attwooll, Aviles Perea (for Nicholson pursuant to Rule 153(2)), Bautista Ojeda (for Tajani pursuant to Rule 153(2)), Busk, Gallagher, Hudghton, Jové Peres (for Papayannakis), Katiforis (for Ford), Kindermann, Langenhagen, Lisi (for Martin), Moreira da Silva (for Cunha pursuant to Rule 153(2)), McKenna, Okking (for Farage), Poignant, Souchet, Stevenson.

The opinion of the Committee on Budgets is attached.

The report was tabled on 24 November 1999.

The deadline for tabling amendments will be indicated in the draft agenda for the relevant part-session.

LEGISLATIVE PROPOSAL

Proposal for a Council Regulation on the common organisation of the markets in fishery and aquaculture products (COM(1999) 055 - C4-0141/1999 - 1999/0047(CNS))

The proposal is approved with the following amendments:

Text proposed by the Commission¹

Amendments by Parliament

Amendment 1 Recital 2

(2) Whereas, in the interests of simplifying the rules and facilitating their use by those for whom they are intended, the new Regulation should also include the basic provisions, duly updated and supplemented, of Council Regulation (EEC) No 105/76 of 19 January 1976 on the recognition of producers' organisations in the fishing industry and Council Regulation (EEC) No 1772/82 of 29 June 1982 laying down general rules concerning the extension of certain rules adopted by producers' organisations in the fisheries sector; whereas these Regulations should therefore be repealed;

(2) Whereas, in the interests of simplifying the rules and facilitating their use by those for whom they are intended, the new Regulation should also include the basic provisions, duly updated and supplemented, of Council Regulation (EEC) No 105/76 of 19 January 1976 on the recognition of producers' organisations in the fishing industry and Council Regulation (EEC) No 1772/82 of 29 June 1982 laying down general rules concerning the extension of certain rules adopted by producers' organisations in the fisheries sector; whereas these Regulations should therefore be repealed, with steps being taken to ensure that no legal vacuum is created during the transitional period;

Amendment 2 Recital 3

(3) Whereas the common agricultural policy must include, in particular, a common organisation of agricultural markets, which may take various forms depending on the products concerned;

(3) Whereas the common fisheries policy, like the common agricultural policy, must include, in particular, a common organisation of agricultural and fisheries markets, which may take various forms depending on the products concerned;

¹ OJ C 78, 20.3.1999, p.1

Amendment 3
Recital 4

(4) Whereas the fishing industry is of special importance to the economy of some coastal regions of the Community; whereas the industry provides a major part of the income of fishermen in such regions; whereas, therefore, market stability should be encouraged by appropriate means, implemented in compliance with the Community's international commitments, particularly with regard to the provisions of the World Trade Organisation on internal production support mechanisms and tariff agreements;

(4) Whereas the fishing industry is of special importance to the economy of some coastal regions of the Community; whereas the industry provides a major part of the income of fishermen in such regions; whereas, therefore, market stability and job security in this sector should be encouraged by appropriate means, implemented in compliance with the Community's international commitments, particularly with regard to the provisions of the World Trade Organisation on internal production support mechanisms and tariff agreements;

Amendment 4
Recital 5

(5) Whereas the production and marketing of fishery products should take account of the need to safeguard the equilibrium of resources and marine ecosystems; whereas the common organisation of markets in these products should therefore comprise such measures as will ensure that supply is better matched to demand, in terms of both quality and quantity, and increase the return on products, both for the above purpose and to improve the income of producers by ensuring stability of market prices;

(5) Whereas the production and marketing of fishery products should take account of the need to safeguard the equilibrium of resources and marine ecosystems; whereas the common organisation of markets in these products should therefore comprise such measures as will ensure that supply is better matched to demand, in terms of both quality and quantity, and increase the return on products, both for the above purpose and to improve the income of producers by ensuring stability of market prices, whilst informing consumers about compliance with the technical measures adopted by the EU;

Amendment 5
Recital 8

(8) Whereas the widening variety of supply, particularly of fresh and chilled fishery products, makes it essential to provide consumers with a minimum amount of information on the main characteristics of products; whereas it is the responsibility of the Member States to adopt to that end a list of the accepted names used in their territory for trading in the products in question;

(8) Whereas the widening variety of supply, particularly of fresh and chilled fishery products, makes it essential to provide consumers with a minimum amount of information on the main characteristics of products and the ways in which they have been caught; whereas it is the responsibility of the Member States to adopt to that end a list of the accepted names used in their

territory for trading in the products in question and the conditions governing the use of those names, in accordance with Directive 79/112/EEC and, in particular, Article 5 thereof;

Amendment 6
Recital 15

(15) Whereas, in view of the costs that producer organisations will incur in fulfilling the above obligations, it is justified to grant commensurate compensation to such organisations for a limited period;

(15) Whereas, in view of the costs that producer organisations will incur in fulfilling the above obligations, it is justified to grant commensurate compensation to such organisations for a fixed period;

Amendment 7
Recital 16

(16) Whereas the planning of supply and regulation of deliveries by members of producer organisations may be improved, in particular, by recourse to pre-sale contracts; whereas producer organisations should therefore be encouraged to market a substantial proportion of their production under contract by granting them a flat-rate allowance for a limited period, subject to certain conditions;

(16) Whereas the planning of supply and regulation of deliveries by members of producer organisations may be improved, in particular, for example, by recourse to pre-sale contracts; whereas producer organisations should therefore be encouraged to market a substantial proportion of their production under contract by granting them a flat-rate allowance for a fixed period, subject to certain conditions;

Amendment 8
Recital 23

(23) Whereas, to encourage fishermen to adjust their deliveries more accurately to market requirements, provision should be made for different levels of financial compensation depending on the volume of market withdrawals;

(23) Whereas, to encourage fishermen to adjust their deliveries more accurately to market requirements, provision should be made for different levels of financial compensation depending on the volume of market withdrawals, whilst retaining an adequate safety net for operators;

Amendment 9
Recital 27

Whereas provision should be made for a specific support scheme for some products

Whereas provision should be made for a specific support scheme for some products

frozen at sea, in the form of private storage aid for such products, subject to certain limits and conditions, provided they cannot be disposed of on the market above a price to be set at Community;

frozen at sea, in the form of private storage aid for such products, subject to certain limits and conditions, provided they cannot be disposed of on the market under a price to be set at Community;

Amendment 10
Recital 31

Whereas the application of common customs tariff duties is suspended in full for certain products; whereas, since Community production of tuna is insufficient, conditions of supply comparable to those enjoyed in exporting third countries should be maintained for the food-processing industries using these products so as not to hinder their development in the context of international conditions of competition; whereas any disadvantage which this system might present for Community tuna producers could be offset by payment of the compensation envisaged for this purpose;

Delete

Amendment 11
Recital 32

(32) Whereas, to ensure adequate supplies to the Community market of raw materials intended for the processing industries on terms that will enable them to remain competitive, the application of common customs tariff duties to some products should be suspended in full or in part for an indefinite period;

(32) Whereas, to ensure adequate supplies to the Community market of raw materials intended for the processing industries on terms that will entitle them to remain competitive it may be necessary, with the Council's approval, to suspend the application of common customs tariff duties to some products in full or in part for a fixed period following a market supply study in respect of each of the species concerned;

Amendment 12
Recital 39

Whereas implementation of this common organisation must also take account of the fact that it is in the Community's interest to preserve fishing grounds as far as possible; whereas the financing of measures covering

Whereas implementation of this common organisation must also take account of the fact that it is in the Community's interest to preserve the biological heritage of its waters as far as possible; whereas the financing of

quantities of fish exceeding those which may be allocated to the Member States should not therefore be permitted;

measures covering quantities of fish exceeding those which may be allocated to the Member States should not therefore be permitted;

Amendment 13
Article 1

c) 0306 // Crustaceans, whether in shell or not, live, fresh, chilled, frozen, dried, salted or in brine; crustaceans, in shell, cooked by steaming or by boiling in water, whether or not chilled, frozen, dried, salted or in brine; flours, meals and pellets of fish, fit for human consumption

0307 // Molluscs, whether in shell or not, live, fresh, chilled, frozen, dried, salted or in brine; aquatic invertebrates other than crustaceans and molluscs, live, fresh, chilled, frozen, dried, salted or in brine; flours, meals and pellets of aquatic invertebrates other than crustaceans, fit for human consumption

d) Animal products not elsewhere specified or included

f) Products of fish or crustaceans, molluscs or other aquatic invertebrates

c) 0306 // Crustaceans, whether in shell or not, live, fresh, chilled, frozen, dried, salted or in brine; crustaceans, in shell, cooked by steaming or by boiling in water, whether or not chilled, frozen, dried, salted or in brine; flours, meals and pellets of fish, fit for human consumption

0307 // Molluscs, whether in shell or not, live, fresh, chilled, frozen, dried, salted or in brine; aquatic invertebrates other than crustaceans and molluscs, live, fresh, chilled, frozen, dried, salted or in brine; flours, meals and pellets of aquatic invertebrates other than crustaceans, fit for human consumption

Seaweed, fresh, chilled, frozen, dried or freeze-dried, fit for human consumption

d) Animal products not elsewhere specified or included

Seaweed intended for uses other than human consumption

f) Products of fish or crustaceans, molluscs or other aquatic invertebrates or plants

Products of seaweed

Amendment 14
Article 2(3)

3. Marketing standards and detailed rules for their application, including the special rules referred to in paragraph 2, shall be adopted in accordance with the procedure laid down in Article 38.

3. Marketing standards and detailed rules for their application, including the special rules referred to in paragraph 2, shall be laid down by the Council, acting by a qualified majority on a proposal from the Commission.

Amendment 15
Article 3(1a) (new)

1a. For processed products, with a view to ensuring control thereof, be they Community products or imports, action shall be taken to set up, at Community level, a Biotic and Abiotic Contaminants Reference Laboratory for Processed Fishery and Aquaculture Products.

Amendment 16
Article 3(1b) (new)

1b. Member States shall adopt all the necessary measures for penalising breaches of the provisions laid down in Article 2.

Amendment 17
Article 4(1)

1. Without prejudice to the provisions of Council Directive 79/112/EEC, the products referred to in Article 1(a), (b) and (c) may not be offered for retail sale to the final consumer, irrespective of the marketing method, unless appropriate marking or labelling indicates:

a) the commercial designation of the species,
b) the production method (taken at sea or farmed),

c) the catch area (Atlantic Ocean, Baltic Sea, Mediterranean Sea, North Sea, Indian Ocean, Pacific Ocean, other).

1. Without prejudice to the provisions of Council Directive 79/112/EEC, the products referred to in Article 1(a), (b) and (c) may not be placed on the market between initial sale and the moment of retail sale to the final consumer, irrespective of the marketing method, unless appropriate marking or labelling indicates:

a) the commercial designation of the species,
b) the production method (taken at sea or farmed), including, for capture fisheries, the gear type used,

ba) the minimum legal size in the catch area,
bb) the calibre,

c) the catch area.

d) the origin of the product (farmed or caught in the Community or imported from a third country).

Amendment 18
Article 4(2)

2. For the purposes of paragraph 1(a), the Member States shall draw up and publish a list of the commercial designations accepted in their territory, for at least all the species listed in Annexes I to IV to this Regulation, not later than 1 January 2001. The list shall indicate the scientific name for each species, its name in the official language or languages of the Member State and, where applicable, any other name or names accepted or permitted locally or regionally.

2. For the purposes of paragraph 1(a), the Member States shall draw up and publish a list of the commercial designations accepted in their territory, for at least all the species listed in Annexes I to IV to this Regulation, not later than 1 January 2001. The list shall indicate the scientific name for each species, its name in the official language or languages of the Member State and, where applicable, any other name or names accepted or permitted locally or regionally. Each Member State shall draw up the list of commercial designations and the conditions governing their use, in accordance with the provisions of Directive 79/112/EEC and, in particular, Article 5 thereof.

Amendment 19
Article 4(4)

4. Detailed rules for applying this Article shall, where necessary, be adopted in accordance with the procedure laid down in Article 38.

4. Detailed rules for applying this Article, in particular the definition of the catch areas referred to in paragraph 1(c), the conditions governing the indication of the origin of the product referred to in paragraph 1(e) and the minimum rules on the traceability of products required to supply the consumer information provided for in this Article, shall be adopted in accordance with the procedure laid down in Article 38.

Amendment 20
Article 5(1)

1. For the purposes of this Regulation, ‘producer organisation’ means any legal entity:
a) set up on the own initiative of a group of producers of one or more of the products referred to in Article 1(a), (b) and (c) insofar, in the case of frozen, treated or processed products, as the operations in question have been carried out on board fishing vessels;

1. For the purposes of this Regulation, ‘producer organisation’ means any legal entity:
a) set up on the own initiative of a group of producers of one or more of the products referred to in Article 1(a), (b) and (c);

Amendment 21

Article 5(1)(b)

b) established for the purpose, in particular, of ensuring that fishing is carried out along rational lines and that conditions for the sale of their members' products are improved, by taking such measures as will (...)

4) promote those fishing methods which do most to maintain the equilibrium of resources and safeguard biodiversity;

b) established for the purpose, in particular, of ensuring that activity is carried out along rational lines and that conditions for the sale of their members' products are improved, by taking such measures as will (...)

4) promote, on the basis of scientific opinions, those exploitation methods which do most to maintain the equilibrium of resources and safeguard biodiversity;

Amendment 22
Article 5(1)(c)(1)

(c) the rules of association of which require its producer members, in particular, to:

1) apply to fishing, production and marketing the rules adopted by it;

(c) the rules of association of which require its producer members, in particular, to:

1) apply to resource exploitation, production and marketing the rules adopted by it;

Amendment 23
Article 5(1)(d)

(d) the rules of association of which provide for: (...)

(d) the rules of association of which provide for: (...)

7a) procedures by which producers may be expelled from or may voluntary cease their membership of the organisation;

Amendment 24
Article 5(4)

4. Detailed rules for the application of this Article shall be adopted in accordance with the procedure laid down in Article 38.

4. Detailed rules for the application of this Article shall be adopted by the Council, acting by a qualified majority on a proposal by the Commission.

Amendment 25
Article 6(5)

5. The Commission shall ensure that Article 5 and paragraph (1)(b) of this Article are complied with by carrying out checks in accordance with Regulation (EEC) No 2847/93 and in the light of such checks may, where appropriate, require Member States to withdraw recognition.

5. The Commission shall ensure that Article 5 and paragraph (1)(b) of this Article are complied with by carrying out checks in accordance with Regulation (EEC) No 2847/93 and in the light of such checks may, where appropriate, ask Member States, after consultation with them, to withdraw recognition.

Amendment 26
Article 7(1)

1. Member States may grant specific recognition to producer organisations as referred to in Article 5(1) which market the products covered by common marketing standards as laid down in Regulation (EC) No 2406/96 and which have submitted a plan to improve the quality and marketing of such products approved that has been approved by the competent national authorities.

1. Member States may grant specific recognition to producer organisations as referred to in Article 5(1) which market the products referred to in Article 1 and which have submitted a plan to improve the quality and marketing of such products approved that has been approved by the competent national authorities.

Amendment 27
Article 7(2)

2. The primary purpose of the plans referred to in paragraph 1 shall be to include all stages of production and marketing. Such plans shall include the following, in particular:
- a substantial improvement in the quality of products while held on board of vessels, (...)

2. The primary purpose of the plans referred to in paragraph 1 shall be to include all stages of production and marketing. Such plans shall include the following, in particular:
- a substantial improvement in the quality of fisheries and aquaculture products, whether fresh, chilled, or frozen, (...)

Amendment 28
Article 7(3a) (new)

3a. Quality designations for fisheries products shall be governed by specific legislation, to which the criteria of the agricultural sector shall not apply.

Amendment 29
Article 8(4)

4. The Commission shall declare the extension referred to in paragraph 1 null and void: (...)

4. The Commission may, via the submission of a reasoned decision, declare the extension referred to in paragraph 1 null and void: (...)

Amendment 30
Article 8(5)

5. Following ex-post checks under Regulation (EEC) No 2847/93, the Commission may at any time identify cases of nullity under paragraph 4 and declare the extension in question null and void.

5. Following ex-post checks under Regulation (EEC) No 2847/93, the Commission may at any time identify cases of nullity under paragraph 4 and by means of a reasoned decision, declare the extension in question null and void.

Amendment 31
Article 8(10)

10. Detailed rules for the application of this Article shall be adopted in accordance with the procedure laid down in Article 38.

10. Detailed rules for the application of this Article shall be adopted by the Council, acting by a qualified majority on a proposal by the Commission.

Amendment 32
Article 10

1. Before the beginning of the fishing year, each producer organisation shall draw up an operational programme for the fishing year and send it to the competent authorities of the Member State, comprising: (...)

A) For fisheries products:

1. Before the beginning of the fishing year, each producer organisation shall draw up an operational programme for the fishing year and send it to the competent authorities of the Member State, comprising: (...)

B) For aquaculture products:

1. At intervals to be determined by each Member State, but which shall be at least annual, each producer organisation shall draw up a marketing programme for its aquaculture products and send it to the competent authorities of the Member State, comprising:

a) a forward marketing plan setting out the measures to be implemented by the

organisation to match the quantity and quality of supply to market requirements;
b) penalties applicable to members who infringe the provisions of a) above.

Amendment 33
Article 10(2)

2. Member States shall carry out appropriate checks to ensure that each producer organisation fulfils the obligations provided for in paragraph 1, and shall apply the following provisions in the event that these obligations are not fulfilled:

a) no financial assistance shall be granted for the fishing year concerned for intervention operations carried out under Title IV to producer organisations which have failed to draw up or transmit in good time an operational programme for the fishing year drawn up in accordance with paragraph 1;

b) the penalty provided for in (a) shall also apply in cases where a producer organisation has not implemented, or has failed adequately to implement, the measures provided for in its operational programme for the fishing year.

c) producer organisations shall have their recognition withdrawn after the second instance of application of the penalties provided for in (a) and (b).

2. Member States shall carry out appropriate checks to ensure that each producer organisation fulfils the obligations provided for in A) and B) above, and shall apply the following provisions in the event that these obligations are not fulfilled:

a) no financial assistance shall be granted for the fishing year referred to in A) or the marketing programme for aquaculture products in B) for intervention operations carried out under Title IV to producer organisations which have failed to draw up or transmit in good time an operational programme for the fishing year or a marketing programme for aquaculture products, drawn up in accordance with A) and B);

b) the penalty provided for in (a) shall also apply in cases where a producer organisation has not implemented, or has failed adequately to implement, the measures provided for in its operational programme for the fishing year or its marketing programme for aquaculture products;

c) producer organisations shall have their recognition withdrawn after the second instance of application of the penalties provided for in (a) and (b).

Amendment 34
Article 11(1)

1. Without prejudice to aid which might be granted to encourage the creation and facilitate the operation of producer organisations under Article 16(1) of Regulation (EC) No, producer organisations shall receive compensation for a limited period to offset the costs arising

1. Without prejudice to aid which might be granted to encourage the creation and facilitate the operation of producer organisations under Article 16(1) of Regulation (EC) No, producer organisations shall receive compensation for a limited period to offset the costs arising

from the obligations imposed on them under Article 10.

Producer organisations recognised before 1 January 2001 shall receive such compensation for five years from that date.

Producer organisations recognised subsequently shall receive compensation for five years following the year in which they are granted recognition.

from the obligations imposed on them under Article 10.

Producer organisations recognised before 1 January 2001 shall receive such compensation for five years from that date.

Producer organisations recognised subsequently shall receive compensation for five years following the year in which they are granted recognition.

The Commission shall, no later than 1 January 2006, draw up a report evaluating the workings of the provisions of this article, in the light of which the time-periods for eligibility for compensation may be extended.

Amendment 35 Article 11(2)

2. The compensation referred to in paragraph 1 shall be made up of the following:

a) an amount in proportion to the number of member vessels, calculated degressively in accordance with the method set out in Annex VI.A.

b) a flat-rate amount of EUR 500 per species covered by Article 10(1)(b), up to ten species in all.

2. The compensation referred to in paragraph 1 shall be made up of the following:

A) For fisheries

a) an amount in proportion to the number of member vessels and the declared annual production, calculated degressively in accordance with the method set out in Annex VI.A.

b) a flat-rate amount of EUR 500 per species covered by Article 10(1)(b), up to ten species in all.

B) For aquaculture, a sum proportionate to the value of the production, calculated in accordance with the method set out in Annex VI.Aa.

Amendment 36 Article 12(1)

1. Member States shall grant an additional allowance to producer organisations which provide in their operational programme for the fishing year for at least 10% of their production to be disposed of through pre-sale contracts, in order to plan better the supply from their members.

1. Member States shall grant an additional allowance to producer organisations which provide in their operational programme for the fishing year or marketing programme for aquaculture products for at least 10% of their production to be disposed of through pre-sale contracts, in order to plan better the supply from their members.

In such cases, copies of all contracts must be attached to the operational programmes for the fishing year submitted by producer organisations to the competent authorities under Article 10.

For the purposes of applying this paragraph, account shall be taken of the average production of producer organisations during the three previous fishing years.

In such cases, copies of all contracts must be attached to the operational programmes for the fishing year or the marketing programme for aquaculture products submitted by producer organisations to the competent authorities under Article 10.

For the purposes of applying this paragraph, account shall be taken of the average production, as duly verified by the competent authority, of producer organisations during the three previous fishing years.

Amendment 37
Article 12(3)

3. The allowance shall be paid within four months following the end of the fishing year concerned, insofar as the recipient producer organisation provides proof, to the satisfaction of the competent national authorities, that the quantities marketed under the contracts in question are at least equal to the minimum percentage referred to in paragraph 1.

3. The allowance shall be paid within four months following the end of the fishing year or marketing programme for aquaculture products concerned, insofar as the recipient producer organisation provides proof, to the satisfaction of the competent national authorities, that the quantities marketed under the contracts in question are at least equal to the minimum percentage referred to in paragraph 1.

Amendment 38
Article 13(4)

4. The Commission shall check that paragraphs 1 and 3(b) are complied with by carrying out checks in accordance with Regulation EEC No 2847/93 and may, as a result of these checks, require a Member State to withdraw recognition.

4. The Commission shall check that paragraphs 1 and 3(b) are complied with by carrying out checks in accordance with Regulation EEC No 2847/93 and may, as a result of these checks, require a Member State, after consultation with the latter, to withdraw recognition.

Amendment 39
Article 13(7)

7. Detailed rules for the application of this Article and, in particular, the terms and conditions on which and the frequency with which the Member States are to report to the

7. Detailed rules for the application of this Article and, in particular, the terms and conditions on which and the frequency with which the Member States are to report to the

Commission on the activities of interbranch organisations, shall be adopted in accordance with the procedure laid down in Article 38.

Commission on the activities of interbranch organisations and the criteria on the basis of which the Commission could oppose recognition, shall be adopted in accordance with the procedure laid down in Article 38.

Amendment 40
Article 18(2)

2. The guide price shall be based on:
- the average of prices recorded for a significant proportion of Community output on representative wholesale markets or in representative ports during the three fishing years immediately preceding the year for which the price is fixed, (...)

2. The guide price shall be based on:
- the average of prices recorded for a significant proportion of Community output on representative wholesale markets or in representative ports during the five fishing years (other than those with the highest and the lowest figures) immediately preceding the year for which the price is fixed, (...)

Amendment 41
Article 21(3)

3. For the products referred to in paragraph 1:

(a) the financial compensation shall be equal to:

- i. 87.5% of the withdrawal price applied by the producers' organisation concerned for quantities withdrawn not exceeding 2% of the quantities put up for sale each year;
- ii. 80% of the withdrawal price applied by the producer organisation concerned for quantities withdrawn which exceed 2% but not 5% of the quantities put up for sale each year;
- iii. from the 2003 fishing year, 50% of the withdrawal price applied by the producer organisation concerned for quantities withdrawn which exceed 5% but not 8% of the quantities put up for sale each year; for the 2001 and 2002 fishing years, it shall be equal to 70% and 60% of the withdrawal price, respectively.

(b) No financial compensation shall be granted in respect of quantities withdrawn exceeding 8% of the quantities put up for sale by each producer organisation.

3. For the products referred to in paragraph 1:

(a) the financial compensation shall be equal to:

- i. 87.5% of the withdrawal price applied by the producers' organisation concerned for quantities withdrawn not exceeding 5% of the quantities put up for sale each year;
- ii. 75% of the withdrawal price applied by the producer organisation concerned for quantities withdrawn which exceed 5% but not 10% of the quantities put up for sale each year;
- iii. from the 2003 fishing year, 50% of the withdrawal price applied by the producer organisation concerned for quantities withdrawn which exceed 10% but not 12% of the quantities put up for sale each year; for the 2001 and 2002 fishing years, it shall be equal to 70% and 60% of the withdrawal price, respectively.

(b) No financial compensation shall be granted in respect of quantities withdrawn exceeding 10% of the quantities put up for sale by each producer organisation.

Amendment 42
Article 21(6), first subparagraph

6. Where producer organisations carry out the withdrawals referred to in paragraph 1, they shall grant their members, for the quantities withdrawn from the market, an indemnity at least equal to the sum of the

6. Where producer organisations carry out the withdrawals referred to in paragraph 1, they shall grant their members, for the quantities withdrawn from the market, an indemnity at least equal to the sum of the

financial compensation calculated in accordance with paragraph 3(a), plus an amount equal to:

- 10%, in the case referred to in paragraph 3(a)(i).
- 12%, in the case referred to in paragraph 3(a)(ii).
- 15%, in the case referred to in paragraph 3(a)(iii) and (b).

of the withdrawal price applied by that organisation.

financial compensation calculated in accordance with paragraph 3(a), plus an amount equal to:

- 10% of the withdrawal price applied by that organisation.

Amendment 43
Article 23(4)(a)

- a)
 - freezing
 - salting
 - drying,
 - marinating
- and, where relevant,
- boiling;

- a)
 - sterilisation
 - freezing
 - salting
 - drying,
 - marinating
- and, where relevant,
- boiling;

Amendment 44
Article 24(5)

5. The quantities eligible for the flat-rate aid pursuant to paragraphs 2 and 5 may not exceed 5% of the annual quantities of the products concerned put up for sale in accordance with Article 5(1).

The quantities eligible for flat-rate aid under paragraphs 2 and 4 may together not exceed 10% of the annual quantities referred to in the previous subparagraph.

5. The quantities eligible for the flat-rate aid pursuant to paragraphs 2 and 5 may not exceed 7% of the annual quantities of the products concerned put up for sale in accordance with Article 5(1).

The quantities eligible for flat-rate aid under paragraphs 2 and 4 may together not exceed 10% of the annual quantities referred to in the previous subparagraph.

Amendment 45
Article 25(4)

4. The following restrictions shall apply to the grant of private storage aid:

- a) the products must have been fished,

4. The following restrictions shall apply to the grant of private storage aid:

- a) the products must have been fished,

frozen on board and landed in the Community by a member of a producer organisation,

b) the products must be stored for a minimum period and then placed on the Community market again,

up to a maximum of 15% of the annual quantities of the products concerned put up for sale by the producer organisation.

frozen on board and landed in the Community by a member of a producer organisation,

b) the products must be stored for a minimum period and then placed on the Community market again,

up to a maximum of 20% of the annual quantities of the products concerned put up for sale by the producer organisation.

Amendment 46
Article 27(1)

1. An allowance may be granted to the producers' organisations (...) (...) are both lower than a triggering threshold equivalent to 85% of the Community producer price for the product in question.

1. An allowance may be granted to the producers' organisations (...) (...) are both lower than a triggering threshold equivalent to 91% of the Community producer price for the product in question.

Amendment 47
Article 28

1. To ensure adequate supply to the Community market of raw materials intended for the processing industries, total or partial autonomous suspension of common customs tariff duties for certain products shall be adopted for an indefinite period in accordance with Annex V to this Regulation.

2. In order to prevent the suspension arrangements referred to in paragraph 1 from jeopardising the stabilisation measures

1. To ensure adequate supply to the Community market of raw materials intended for the processing industries, on grounds of:

- repeated problems in supplying the Community market with a particular product, or:

- the fulfilment of international obligations, the Council may, acting by a qualified majority and on a proposal from the Commission, decide the total or partial suspension of common customs tariff duties for the products listed in Article 1, where they are covered by the conditions laid down in paragraph 3 of this article.

2. The products for which a suspension of tariff duties may be decided shall be included in an annex to this regulation.

referred to in Articles 20, 21, 22, 23, 25 and 26, qualification for such suspension shall be granted when the products concerned are imported, provided the price fixed under Article 29 is complied with.

Publication or modification of this annex shall take place as rapidly as possible.

3. To qualify for inclusion in the above-mentioned annex, products must fulfil at least the following requisites:

- internal Community production of the product must be less than 30%.
- where internal production exists, there must also be a Community reference price pursuant to Article 29.
- Community production must not exist at a sufficient level of alternative products which could easily be substituted for the product.
- it must be guaranteed that there is no temporary shortfall in Community production of the product and that it is, therefore, impossible to ensure a regular supply via tariff quotas.
- there is no risk of significant interference with productions covered by preferential arrangements or other international agreements entered into by the Community.
- where a product is regulated by an international or regional fisheries organisation, the suspension of tariff duties may only apply to products from countries which are signatory parties to the organisations concerned.
- the opening of disciplinary proceedings by a regional or international fisheries organisation shall bring about the immediate freezing of the suspension of tariff duties.

4. The Council, acting by a qualified majority on a proposal from the Commission, which shall provide it beforehand with the necessary comparative information to ensure fulfilment of the conditions laid down in paragraph 3, shall determine the implementing arrangements for this article, and shall, in particular, approve the products to be included in the annex referred to in paragraph 2.

5. In order to prevent the suspension arrangements referred to in paragraph 1 from jeopardising the stabilisation measures referred to in Articles 20, 21, 22, 23, 25 and

26, qualification for such suspension shall be granted when the products concerned are imported, provided the price fixed under Article 29 and the conditions laid down in paragraph 2 of this article are complied with.

Amendment 48
Article 29(1)

1. Reference prices valid for the Community may be fixed each year, by product category, for the products specified in Article 1 that are the subject of:

- i. tariff reduction or suspension arrangements, where the rules binding them in the WTO provide for compliance with a reference price,
- ii. one of the measures referred to in Article 28(1), or
- iii. arrangements other than those referred to at (i) or (ii), which provide for compliance with a reference price and which are in line with the Community's international undertakings.

1. With a view to preventing disturbances arising from supplies from third countries at abnormal prices or in conditions liable to jeopardise the stabilisation measures laid down in Articles 20, 21, 22, 23, 25 and 26, reference prices valid for the Community shall be fixed each year, by product category, for the products specified in Article 1 that are the subject of:

- i. tariff reduction or suspension arrangements, where the rules binding them in the WTO provide for compliance with a reference price,
- ii. one of the measures referred to in Article 28(1), or
- iii. arrangements other than those referred to at (i) or (ii), which provide for compliance with a reference price and which are in line with the Community's international undertakings.

Amendment 49
Article 31a (new)

The Council, acting by a qualified majority on a proposal from the Commission, may amend the annexes to this regulation and the percentages laid down in Articles 20 and 25.

Amendment 50
Annex I

A. Fresh or chilled products of heading Nos 0302 and 0307

A. Fresh or chilled products of heading Nos 0302 and 0307

a) (...)

a) (...)

20 0302 69 87 Swordfish (*Xiphias gladius*)

Amendment 51

Annex II

A. Frozen products of heading Nos 0303 and
0304

a) (...)

A. Frozen products of heading Nos 0303 and
0304

a) (...)

0303 33 00 Sole (*Solea vulgaris*)

0303 79 87 Swordfish (*Xiphias gladius*)

Amendment 52

Annex V

Delete

<i>Annex VI</i>			<i>Annex VI</i>		
A. Method for calculating the allowance provided for in Article 11 (in EUR per member vessel)			A. Method for calculating the allowance provided for in Article 11(2a) (in EUR per member vessel)		
Member vessels	Annual amount / during the first / three years	Annual amount / during the two / subsequent years	Member vessels	Annual amount / during the first / three years	Annual amount / during the two / subsequent years
from 1 st to 50 th	/ 600	/ 300	from 1 st to 50 th	/ 400	/ 200
from 51 st to 100 th	/ 200	/ 100	from 51 st to 100 th	/ 200	/ 100
from 101 st to 500 th	/ 100	/ 50	from 101 st to 500 th	/ 100	/ 50
from the 501 st	/ 0	/ 0	from 501 th	/ 0	/ 0
B. Method for calculating the allowance provided for in Article 12 (in EUR per member vessel)			Increased by 1/1000 of the total value of the goods landed		
Member vessels	/	Annual amount	Aa. Method for calculating the allowance provided for in Article 11 (2b)		
From 1 st to 50 th	/	1000	2/1000 of the total value of the goods marketed		
From 51 st to 100 th	/	500	B. Method for calculating the allowance provided for in Article 12		
From 101 st to 500 th	/	250	Unit selling price x Aid percentage x volume of production under contract up to an aid ceiling of EUR 125 000 per annum		
From the 501 st	/	0			
			Unit selling price / Aid percentage (Euros/kg)		
			0.015 to 0.30 / 7.5%		
			0.31 to 0.90 / 5%		
			0.91 to 1.50 / 2.5%		
			1.51 to 3.00 / 1.5%		
			from 3.00 / 1%		

DRAFT LEGISLATIVE RESOLUTION

Legislative resolution of the European Parliament on the proposal for a Council Regulation on the common organisation of the markets in fishery and aquaculture products (COM(1999) 055 - C4-0141/1999 - 1999/0047(CNS))

(Consultation procedure)

The European Parliament,

- having regard to the Commission proposal to the Council, COM(1999) 055²,
 - having been consulted by the Council pursuant to Article 37 of the EC Treaty (C4-0141/1999),
 - having regard to Rule 67 of its Rules of Procedure,
 - having regard to the report of the Committee on Fisheries and the opinion of the Committee on Budgets (A5-0067/1999),
1. Approves the Commission proposal, subject to Parliament's amendments;
 2. Calls on the Commission to alter its proposal accordingly, pursuant to Article 250(2) of the EC Treaty;
 3. Calls on the Council to notify Parliament should it intend to depart from the text approved by Parliament;
 4. Asks to be consulted again should the Council intend to amend the Commission proposal;
 5. Instructs its President to forward its position to the Council and Commission.

² OJ C 78, 20.3.1999, p. 1

EXPLANATORY STATEMENT

1. Introduction

The European Union is one of the world's biggest markets in fisheries products. As the Union cannot supply all its needs in the sector, 60% of the fisheries products which it consumes are, according to Commission figures, imported.

This shortfall in supply has opened up the Community's frontiers to a remarkable degree. Internal production must, however, also be taken into account, and the overall picture is of a highly diverse and fragmented market, in which large numbers of different species are consumed. This can lead to price crises and the stockpiling of surpluses in some regions while other regions suffer from shortages of supply.

Despite the deficit, the Community fisheries sector - fisheries proper, processing and marketing - is one of the Union's most important productive sectors, in terms of the number of jobs involved, its role as an industrial motor for entire regions, and its major strategic importance for food policy. It is therefore more than legitimate for the fisheries sector to wish to maintain its potential and boost its competitiveness on the world market.

The Union's international commitments mean that many fisheries imports enter the Community market paying low or zero tariffs. This makes it even more difficult to achieve the traditional market goal of balancing supply and demand. The Community's producers have, accordingly and repeatedly, demanded higher levels of protection in the face of these circumstances.

A purely protectionist approach clearly cannot be contemplated under present conditions, and would probably not be desirable anyway. The markets, however, permit the use of a range of instruments which can palliate the effects of the situation. Meaningful financial support in a number of areas can provide operators with resources that will help them adapt to market trends while remaining competitive.

A number of other criteria should be taken into account if competitiveness is to be maintained: supply should be more clearly differentiated, on the basis of quality as well as price, and fuller consumer information should be provided. The EU must also assume a number of other obligations as a matter of principle, including strict compliance with the FAO's Code of Conduct in its two aspects, namely fisheries and fair trading.

All these aspects have been raised on numerous occasions by the EP and by the fisheries sector itself. The Commission, having finally announced its intention to reform the existing COM, submitted, in December 1997, a communication to the Council and Parliament³ setting out the objectives of its future proposal. Parliament analysed this document on the report by Mr McCartin of 27 May 1998⁴.

³ 'The future for the market in fisheries products in the European Union: responsibility, partnership and competitiveness' (COM(1997) 719)

⁴ PE 225.213

Ten months later, the Commission submitted its proposal for a regulation, defining the common organisation of the markets in fishery and aquaculture products. This proposal will now be analysed.

2. The main points of the proposal

I. Consumer information: Chapter 2 of Title I (newly introduced) is one of the most important innovations. It introduces the obligation to label each product visibly with information relating to commercial designation, method of production (taken at sea or farmed), and catch area (Atlantic, Pacific, Baltic, etc). The Commission hopes this will make it possible to forestall the present risks of fraud arising from the diversity of supply, as well as facilitating inspection.

II. Producers' organisations (Titles II and III). The Commission's main objective here is to give producers' organisations more responsibility in resource-friendly management in line with market needs, by means of a much more detailed set of rules than the present regulation. This is despite the fact that the aids for setting up and running producers' organisations have been transferred from the COM regulation to the FIFG. To alleviate the cost of the new obligations, aids are introduced on the basis of the number of vessels corresponding to each producers' organisation. Incentives are also introduced relating to pre-sale contracts and interbranch organisations.

III. Intervention mechanisms. The notion of preventive resource management is reflected in the changes introduced to the intervention mechanisms, especially the withdrawal prices. These latter are to become increasingly a phenomenon of last resort, with the aid levels being reduced:

Proposal			Existing COM		
Compensation % withdrawal price	87.5%	80%	50% (2003+)	87.5%	75%
Amount of product withdrawn	2%	2-5%	5-8%	7%	7-14%

The proposal states that this regime will be compensated by higher levels of aid for, in particular, carry-over (increased from 6% to 20%).

IV. Compensatory payments for tuna. Despite the assurance offered in the explanatory memorandum that no major changes to this regime are proposed, the proposal introduces a very important change: the threshold at which intervention is triggered off is lowered from 91% to 85% of the price of the Community product.

V. Regime governing trade with third countries. A radical change is introduced in this regime: the existing system of tariff quotas is replaced by the partial or total suspension of tariff duties, for an indefinite period, for products intended for the processing industry. These products include: cod; herring (above a certain weight); and two semi-processed products, namely tuna fillets and surimi, which are now to be treated as raw materials.

The Commission considers that the Community market exhibits a substantial deficit in these products, and that the suspension of customs duties is the better solution, given that it avoids having to set quotas every year.

VI. Financial statement. For the financing of the above measures, the proposal (providing a detailed breakdown) estimates a total expenditure of **EUR 132.5 m over a six-year period** (2001-2006). This amounts to a disturbing reduction on the existing budget, which cannot itself be called generous.

3. Critical analysis of the proposal

The Commission proposal reveals a more precise identification of the needs of the existing Community market and a greater awareness of the concerns of the industry. It also makes a visible effort to adapt the mechanisms of the COM to market realities. Nonetheless, there is still a mismatch between the identification of the problems, the initiatives proposed to tackle them, and the measures determined for this purpose. Your rapporteur wishes, in this connection, to stress the following aspects:

I. Consumer information. Four points may be stressed here:

- The compulsory labelling requirement: commercial designation of the species, origin (taken at sea or farmed) and catch area. These are welcome developments, corresponding to Parliament's long-standing demands.
- Further data should have been included with a view to developing consumer responsibility and clarifying the market (e.g. minimum sizes, a measure which would also have made things easier for the inspectors). An opportunity has been missed here.
- The catch areas have not been demarcated on a standard basis: some are much bigger than others. The consumer can easily locate products labelled as being from the 'North Sea' or the 'Baltic', since these are clearly-defined areas with highly specific productions. However, labels such as 'Atlantic' or 'Pacific' guarantee only that the product was fished outside Community waters, and fail to specify whether it was fished by a Community fleet (and therefore a fleet subject to strict rules concerning handling and responsible fishing) or whether it came from waters and fleets to which more dubious criteria apply.

In addition, in large areas such as the Atlantic the same species may have completely different organoleptic qualities: in such cases, the consumer should be allowed to choose a particular origin.

- No action has been taken on Parliament's demand for quality labelling, as made in the McMahon report.

II. Producers' organisations. The measures aimed at giving greater responsibility to producers' organisations in relation to market regulation and more resource-friendly forms of management are, in general, **to be welcomed**. These measures include the obligation to draw up operational programmes for fishing seasons as a condition for eligibility for compensation, pre-sale contracts, and incentives for setting up interbranch organisations - all of which should help eliminate unsuitable fisheries practices and facilitate the adjustment of supply to periods of higher or lower demand.

Nonetheless, **further action is still required on a number of aspects:**

- The low level at which the budget has been set suggests that it may not, in reality, be possible to achieve the ambitious objectives of the proposal.
- Not all fisheries products exploited are taken at sea: many of them, as is clear from the title of the regulation itself, originate in aquaculture (whether in the form of industrial fish farms or that of the rational use of coastal resources, i.e. shellfish gathering). The levels of the allowances payable to producers' organisations have been set, however, on the basis of number of vessels, which amounts to excluding an extremely significant proportion of producers from the scope of the regulation.
- The method used to calculate the allowances payable for drawing up fishing programmes (Annex VI) contains an inexplicable contradiction. If the main objective is to encourage the formation of genuinely effective producers' organisations, then the method of calculation of the allowances, based on the number of vessels corresponding to each such organisation, means that one with, say, 40 vessels will receive almost twice as much as one with 120. This could encourage the larger producers' organisations to split into smaller units in order to receive more aid, a process which would most certainly not further the stated objective of concentration of supply.
- Incentives are introduced to encourage pre-sale contracts: allowances will be payable to producers' organisations which place a percentage of their production on the market using that formula. However, the level of the allowances will, once again, be based on number of vessels, rather than on the real percentage of sales.
- A number of Member States oppose involving the producers in such a direct fashion in resource management, an area which they believe to be their own exclusive preserve.

III. Intervention mechanisms. Concerning the **withdrawal prices**, as has been seen, the Commission wishes to make a visible cut in aid, so as to discourage the fishing of products for which there is no buyer on the food market, while at the same time increasing the aids for carry-over and private storage, thus ensuring that the sale of products for which there is no buyer can be delayed until prices or demand have recovered.

This approach can only be applauded. Nonetheless, certain Member States, once again, believe that this reduction in aid is overly drastic, while others feel that to waste quality protein in this matter is unacceptable, and favour even more stringent cuts. It is clear that the existing withdrawal regime cannot be sustained in the context of today's scarcities of fishery products. A compromise is therefore needed to reconcile the two positions.

As regards **carry-over aid** (Articles 23, 24 and 25), there seems to be no good reason for paying the equivalent of 20% of the quantities put up for sale each year for the carry-over of fresh products, but only 15% for the private storage of frozen products. The industry has repeatedly asked for fresh and frozen products to be treated in the same way. In view of the Commission's approach of encouraging carry-over, the harmonisation should obviously be made upwards.

IV. Compensatory allowances for tuna. The proposal to lower the triggering threshold for this mechanism from 91% to 85% has been unanimously rejected by the producers. This mechanism, which dates back to 1970, is intended to compensate Community producers of tuna intended for processing against abrupt falls in the international market price of a product which is particularly sensitive to market variations.

The circumstances which led to the introduction of this mechanism have not changed. Indeed, today growing numbers of exporters are seeking access to the Union's tuna market, while the internal Community rules are moving in the direction of ever-greater liberalisation.

It is difficult, therefore, to comprehend the rationale behind the Commission's decision to start dismantling a regime which has traditionally formed the sole guarantee of competitiveness for many Community producers. In addition, payment of the compensatory allowance happens only when the mechanism is activated, which is seldom the case: according to Commission sources, in the last four years producers have not availed themselves of it - in other words, for four years now this protection mechanism has not cost the Community budget a single euro. It is, then, a **safety net**, resorted to only in exceptional circumstances.

V. Trade with third countries. The Commission proposes to replace the existing tariff quota system with the total or partial suspension of tariff duties for certain fisheries products for an indefinite time period. This is one of the most radical changes in the proposal, and the reactions to it have been so heated, both in the industry and in the Member States, that one is obliged to ask whether the Commission has weighed the arguments properly and considered the consequences of so extreme an expression of its current tendency to encourage an import free-for-all on the Community market. Your rapporteur proposes the following analysis of the advantages and disadvantages of the proposed regime, as compared with the existing one.

The quota regime:

- **is individualised:** a quota can be opened when there is a scarcity of a particular product, without affecting the rest;
- **is flexible:** a quota can be opened at various times of the year to allow a product subject to occasional scarcity to enter the market and, equally, to allow Community production to resume once the situation has stabilised;
- **is more in line with the Community's international commitments:** when a quota is opened, there is generally a proven scarcity of the product, even in the case of those categories which enter at special low tariffs under the GSP and the Lomé Convention;
- **is easier to adapt** to changes at **world level:** it is not rigid, and therefore does not lead to the a priori cession of rights in the negotiation of international association agreements or bilateral agreements, or in GATT/WTO negotiations.

The Commission's proposed tariff suspension regime:

- entails a **closed list** consisting of large numbers of products whose market behaviour and degree of dependence on imports varies considerably;
- **is less secure**: adding a species to the list or removing one would require reforming the general market regulation, and, therefore, an excessively long timetable;
- **requires detailed studies to be carried out** in order to prove that the Community's production of a particular species is too low **and is likely to remain so**. Such studies do not exist for all of the species on the proposed list, as has been pointed out in the debates on the proposal in Council. One may here cite the example of tuna fillets, for which the Commission estimates internal production at 10 000 tonnes, while the figure put forward by the producer countries is 23 850 for 1998 (their production capacity estimate for 1999 is 40 500). Given this problem, the Commission has had to undertake to the Council that it will draw up a study on tuna fillets. The proposal for the COM cannot, therefore, be adopted until the results of that study have been made available.
- **undermines the substance** of the Lomé and GSP preferential regimes. Here too, tuna fillets are one of the best examples. Countries which have made major infrastructural investments could see their hopes of economic development evaporate - hopes which have been encouraged by the EU itself;
- **would act as an a priori constraint** on the Union's freedom of manoeuvre in international negotiations. One may ask what the point is of introducing so radical a system of tariff suspension **on the eve of the Millennium Round**, and at a time when any number of bilateral and multilateral negotiations are under way. To take the example of tuna fillets once again, it may be noted that, despite the declared intention of suspending tariff duties on this product for an indefinite period, the Commission is still classifying it as a 'sensitive product' in the negotiations for the association agreement with Mexico.

Tuna fillets, the example which we have been using, are, furthermore, a semi-processed product which is now to be treated as a raw material - a policy with substantial implications for employment in the producer countries. Similar doubts may be raised concerning other products listed in Annex V, such as herring.

The approach should not be to replace one regime with another, however. Each of the two regimes has its utility, and it is clear that in many cases the processing industries require species which do not exist, or scarcely exist, in the Community: for these, tariff suspension may prove to be the best regime. However, the usefulness of such a regime in certain cases is not a reason to justify its ill-thought-out extension to other products which can hardly be said to be in short supply internally. It was, besides, precisely for such cases that the quota system was created; and that system does not appear to be causing any major problems.

An amendment has accordingly been tabled laying down a number of criteria which should be met by species included in the Annex V list. Your rapporteur believes that a debate on these criteria (or on others of equal validity which may be proposed) would represent a much more constructive approach than a piecemeal discussion by production and species - especially as there are, in many cases, no reliable figures available to serve as a basis.

VI. Discretionary powers of the Commission. In its proposal, the Commission makes many of the implementing rules for the proposed regulation a matter for Article 37, and, therefore, for the Management Committees - thus eliminating the role of the Council, which enjoys far greater decision-making powers under the existing regulation. Your rapporteur considers that, while the proposed

system is no doubt less cumbersome, many of the subjects concerned, such as the regime for trade with third countries, are of an importance that suggests that the Commission should not have excessive discretionary powers regarding them. Accordingly, a number of amendments have been tabled across the text whose aim is to transfer certain powers of decision from the Commission to the Council; this means that Parliament too would have to be consulted on the more important aspects.

4. Conclusions

1. The proposal of a new COM for fishery and aquaculture products is to be welcomed, as such a measure has long been called for. Given the need for far-reaching change, the decision to propose a brand-new regulation rather than reforming the existing one is also correct. Nonetheless, serious doubts have to be expressed as to whether the objectives proposed can be achieved with the low level of funds allocated.
2. The objectives identified and the diagnosis of the measures required are, in general, satisfactory. However, this cannot be said of the mechanisms proposed for fulfilling the goals, which suffer from visible contradictions and shortcomings. For example, the regime for the payment of allowances to producers' organisations, which is based on vessel numbers, would leave almost all the Community's aquaculture industry outside the COM.
3. The chapter on consumer information is another welcome innovation. Nonetheless, a number of subjects need to be spelt out in more detail: the catch areas, for example, are defined extremely vaguely. The occasion of the new regulation should be seized to add further potentially useful information, with a view to developing consumer responsibility and information and facilitating inspection (an example here would be the indication of minimum sizes).
4. The greatest problem concerns the proposed regime for trade with third countries, under which numerous products hitherto subject to tariff quotas would be covered by a system of tariff suspensions. In many cases, there are doubts as to whether these products are not in fact produced within the Community: a suspension regime would cause serious problems for the Community producers. The proposed system would be difficult to reverse or correct: the only products liable to tariff suspension should be those concerning which no doubt exists. A number of amendments have therefore been tabled proposing the criteria to be met by such products.
5. The Member States are sharply divided on a number of aspects, such as involvement of the producers in management, cuts in aid under the withdrawal regime and the whole question of trade with third countries. Amendments have been tabled with a view to the possible adoption of a compromise position by the Committee on Fisheries.
6. The Commission proposes greater discretionary power for itself in a wide range of areas, at the expense of the Council. Amendments have been tabled in this connection to enhance the involvement of the European Parliament in the decision-making process.

OPINION
(Rule 147)

for the Committee on Fisheries

on the proposal for a Council Regulation on the common organisation of the markets in fishery and aquaculture products (COM(1999) 055 – C4-0141/1999 - 1999/0047(CNS)) (Report Fraga Estévez)

Committee on Budgets

Letter from the Committee chairman and the draftsman to Mrs Carmen Fraga Estévez, chairman of the Committee on Fisheries

Brussels, 22 April 1999

Dear Mrs Fraga Estévez,

The current provisions concerning the organisation of the market in fishery products need to be adjusted to take account of market developments, changes in fishing activities and the shortcomings of the rules currently in force. On 16 December 1997 the Commission submitted a communication setting out the requirements that should be fulfilled to enable the Community market in fisheries products to function optimally. That communication served as a basis for discussion between the parties concerned, which culminated in the Council calling on the Commission, on 8 June 1998, to present proposals to reform the legal framework within which the fisheries sector operated. The present proposal for a regulation on the common organisation of the market in fishery and aquaculture products is intended to replace the existing Council Regulation (EEC) No 3759/92 of 17 December 1992 on the common organisation of the market in fishery and aquaculture products(5).

The present proposal also incorporates the provisions of Council Regulation (EEC) No 1772/82 of 29 June 1982 laying down general rules concerning the extension of certain rules adopted by producers' organisations in the fisheries sector(6) and Council Regulation (EEC) No 105/76 of 19 January 1976 on the recognition of producers' organisations in the fishing industry(7). The three regulations in question would, therefore, be repealed in the present draft regulation were adopted (Article 42).

(⁵) OJ L 388, 31.12.1992, p. 1.

(⁶) OJ 197, 7.7.1982, p. 1.

(⁷) OJ L 20, 28.1.1976, p. 39.

Commented [COMMENT1]:
Amendment ##

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The new features of the proposal for a regulation in comparison to the existing common organisation of the market in fisheries products mainly relate to the following six areas:

- Consumer information would be improved by provisions concerning the marketing and labelling of products (Article 4).
- Various tasks relating to the organisation of the market and the management of resources (maintaining the equilibrium of fishery stocks, safeguarding biodiversity, etc) would be conferred on the producers' organisations. They would be responsible for planning their members' production and receive, in return, compensatory payments from the Community or the Member States (Articles 5-12).
- Groups of producers and persons involved in marketing and processing fishery products could join together to form interbranch organisations with a view to improving, inter alia, knowledge of the market, transparency, the development of improved technology, product quality, the conservation of resources and training methods. Subject to certain conditions, the interbranch organisations would be exempt from the provisions of Article 85(1) of the Treaty (prohibiting agreements that have the effect of distorting competition) (Articles 13-16).
- Intervention arrangements would provide financial compensation for permanent withdrawal from the market. The amount of financial compensation and the quantities eligible would be gradually reduced after the regulation entered into force. The quantities eligible for carry-over aid, and the financial compensation provided, would be increased. The aim would be to promote preventive measures and product processing rather than withdrawal from the market. In addition, the conditions for granting private storage aid would be brought into line with requirements for the granting of carry-over aid (Articles 21-25).
- Compensatory payments for the processing of tuna would be reduced by lowering the triggering threshold to 85% of the Community producer price (Article 27).
- To ensure the supply of fishery sector products, the duty on specific products should be totally or partially suspended. The rules would be adjusted to the commitments arising from any WTO agreements concluded in the intervening period (Articles 28-30).

The anticipated financial impact of the proposal for a regulation is shown in the table below. There would be cost reductions as a result of reduced expenditure on compensatory payments for producer organisations and the compensatory payment for tuna. Support for producer organisations during the transition to a system involving a lower level of market intervention would initially cause higher costs ('additional allowance under reform of the market organisation'), but eventually produce savings. Annual total costs would probably reach their maximum level (EUR 25 million) in the year 2003, and subsequently fall to EUR 15.5 million by 2006.

**Common market organisation for fisheries products - expenditure forecast
2000-06¹ (in EUR million - maximum amounts)**

Mechanism	Year						
	2000	2001	2002	2003	2004	2005	2006
Allowance to Ops for plan for fishing year ^{2 a}	-	5.3	5.3	5.3	3	3	0.5
Allowance for sales under contract (- 5 years) ^{2 a}	-	1.7	2.7	4.7	4.7	4.7	-
Community withdrawals and carry-over ³	12	9	8	7	7	7	7
Independent withdrawals and carry-over	3.5	3.5	3.5	3.5	3.5	3.5	3.5
Private storage aid	0.5	1	2	2	2	2	2
Compensatory allowance for tuna	4	2.5	2.5	2.5	2.5	2.5	2.5
Additional allowance under reform of the market organisation	-	3	4	5	2.7	2.7	-4.5
TOTAL	20	23	24	25	22.7	22.7	15.5

- (1) These forecasts are based on the assumption that the reform of the market organisation will enter into force on 1.1.2001 and do not take account of specific aid for the most remote regions.
- (2) New measures
- (3) Amended under the reform to reduce permanent withdrawals and increase carry-over.
- (a) Restricted to five years per producer organisation.

Grounds for proposing amendments

The implementation of the proposed regulation will depend, to a great extent, on the drawing up of a large number of implementing provisions. Article 38 of the proposal provides for the setting up of a Management Committee (Procedure II under Council Decision 87/373/EEC of 13 July 1987⁽⁸⁾). This procedure enables the Council to override a Commission decision by a qualified majority. In view of the frequent recourse made to the committee, the Commission's powers of implementation would be considerably restricted in the present case. The Committee on Budgets therefore proposes that the Management Committee be replaced by an Advisory Committee (Procedure I) in order to uphold the Commission's powers of implementation (Amendments 1 and 4). To limit costs and improve the effectiveness of the committee procedure, only one representative per Member States should attend meetings of the Advisory Committee (Amendment 3).

The Committee on Budgets is aware that negotiations are currently in progress to repeal the Council Decision on comitology of 13 July 1987. It is in favour, therefore, of an amendment referring to the new provisions which might enter into force in the course of 1999 (Amendment 1).

The guide prices should not be determined by the Council, as provided for in Article 18(3) of the proposal, as price fixing is also an implementing measure. The Committee on Budgets proposes here, also, that the management committee procedure should be applied (Amendment 2).

The proposal for a regulation provides for the Commission to submit an evaluation report by 31 December 2005 at the latest. It does not appear to be reasonable, however, to wait until five years after the entry into force of the regulation before carrying out an evaluation for the purpose of enabling any changes required to be made. That is why we propose that, before the end of the third year after the regulation enters into force, the Commission should submit an evaluation report containing proposals based on the impact of the proposed measures in terms of achieving their intended objectives (Amendment 5).

Conclusions

The Commission's proposals to include new elements in the common organisation of the market are welcomed by the Committee on Budgets as they aim, inter alia, to improve consumer information, achieve better management and conservation of resources and greater involvement of producers, marketing bodies and processors by improving the position of producer organisations and interbranch organisations and agreements, and reduce financial compensation payments and hence the total cost of the common organisation of the market.

The Committee on Budgets therefore calls on the Committee on Fisheries, as the committee responsible, to incorporate the following amendments in its report.

(Amendment 1) Recital 41

Whereas in order to facilitate implementation of these provisions, there should be a procedure for close cooperation between Member States and

Whereas in order to facilitate implementation of these provisions, there should be a procedure for close cooperation between Member States and

⁽⁸⁾ OJ L 197, 18.7.1987.

the Commission within a management committee;

the Commission within an advisory committee;

Whereas Council Decision 87/373/EEC lays down the procedures for the exercise by the Commission of the powers conferred on it by the Council for the implementation of the acts adopted by it; whereas it will be necessary to adjust the procedures laid down in the present Regulation in order to take account of the entry into force of the Treaty of Amsterdam and possible changes to existing provisions laid down in the interinstitutional agreement or in Council decision 87/373/EEC;

(Amendment 2)
Recital 18(3)

The Council, acting by a qualified majority on a proposal from the Commission, shall determine the level of the guide prices referred to in paragraph 1.

The level of the guide prices referred to in paragraph 1 shall be determined according to the procedure laid down in Article 38.

(Amendment 3)
Article 37

A Management Committee for Fishery Products (hereinafter called 'the Committee') shall be established, consisting of representatives of the Member States and presided over by a representative of the Commission.

A Management Committee for Fishery Products (hereinafter called 'the Committee') shall be established, consisting of one representative from each Member State and presided over by a representative of the Commission.

(Amendment 4)
Article 38

Where the procedure laid down in this Article is to be followed, the chairman shall refer the matter to the Committee either on his own initiative or at the request of the representative of a Member State.

Where the procedure laid down in this Article is to be followed, the chairman shall refer the matter to the Committee either on his own initiative or at the request of the representative of a Member State.

The representative of the Commission shall submit to the Committee a draft of the measures to be taken. The Committee shall deliver its opinion on the draft within a time limit which the Chairman may lay down according to the urgency of the matter. The opinion shall be delivered by the majority

The representative of the Commission shall submit to the Committee a draft of the measures having general application. The Committee shall deliver its opinion on the draft within a time limit which the Chairman may lay down according to the urgency of the matter.

laid down in Article 148 (2) of the Treaty in the case of decisions which the Council is required to adopt on a proposal from the Commission. The votes of the representatives of the Member States within the Committee shall be weighted in the manner set out in that Article. The Chairman shall not vote.

The Commission shall adopt measures which shall apply immediately. However, if these measures are not in accordance with the opinion of the Committee, they shall forthwith be communicated by the Commission to the Council. In that event, the Commission may defer application of the measures which it has decided for a period of not more than one month from the date of such communication.

The Council, acting by a qualified majority, may take a different decision within the time limit referred to in the previous subparagraph.

The opinion shall be recorded in the minutes; in addition, each member State shall have the right to ask to have its position recorded in the minutes.

The Commission shall take the utmost account of the opinion delivered by the committee. It shall inform the committee of the manner in which its opinion has been taken into account. The committee shall meet in public. It shall publish the agenda two weeks before the meeting. It shall publish minutes of its meetings. It shall establish a public register for the declaration of its Members' interests.

(Amendment 5)
Article 41

By 31 December 2005 at the latest, the Commission shall send the Council and Parliament an evaluation report on the results of implementing this Regulation. This report shall be accompanied, where necessary, by appropriate proposals based on an analysis of the impact of this Community action and its effectiveness in relation to its objectives.

By 31 December 2003 and by 31 December 2005 at the latest, the Commission shall send the Council and Parliament evaluation reports on the results of implementing this Regulation. These reports shall be accompanied, where necessary, by appropriate proposals based on an analysis of the impact of this Community action and its effectiveness in relation to its objectives.

Yours sincerely,

Detlev Samland

Karin Jöns

The following were present at the vote: Samland, chairman; Tillich, vice-chairman, Bourlanges, Brinkhorst, Colom I Naval, Dankert, Elles, Fabra Vallés, Garriga Polledo, Kellett-Bowman (for Bardong), Mulder (for Virrankoski), Müller, Posada and Wynn.