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REPORT

on the proposal for a Council regulation amending regulation (EC)
n°1255/1999 on the common organisation of the market in milk and milk
products
(COM(1999) 631 – C5- 0339/1999 – 1999/0254(CNS))

Committee on Agriculture and Rural Development

Rapporteur: Mikko Pesälä

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

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PROCEDURAL PAGE

By letter of the 21 December 1999 Council consulted Parliament, pursuant to Article 36 and 37 of the EC Treaty , on the proposal for a Council regulation amending regulation (EC) n°1255/1999 on the common organisation of the market in milk and milk products (COM(1999) 631 – 1999/0254 (CNS)).

At the sitting of 17 January 2000 the President of Parliament announced that she had referred this proposal to the Committee on Agriculture and Rural Development as the committee responsible and the Committee on Budgets and the Committee on Budgetary Control for their opinions (C5-0339/1999).

The Committee on Agriculture and Rural Development appointed Mikko Pesälä rapporteur at its meeting of 26 January 2000.

The committee considered the Commission proposal and draft report at its meeting of 31 January, 23 February and 21 March 2000.

At the last meeting it adopted the draft legislative resolution by 24 votes to 1.

The following were present for the vote: Joseph Daul, acting chairman; Vincenzo Lavarra, vice-chairman; Mikko Pesälä, rapporteur; Gordon Adam, Danielle Auroi, Maria del Pilar Ayuso González (for Neil Parish), Niels Busk, Ilda Figueiredo (for Dimitrios Koulourianos), Francesco Fiori, Georges Garot, Lutz Goepel, María Izquierdo Rojo, Elisabeth Jeggle, Salvador Jové Peres, Hedwig Keppelhoff-Wiechert, Heinz Kindermann, Christa Klač (for Michl Ebner), Jean-Claude Martinez, Xaver Mayer, Giovanni Procacci, María Rodríguez Ramos, Agnes Schierhuber, Struan Stevenson, Robert William Sturdy, Eurig Wyn (for Carlos Bautista Ojeda).

The Committee on Budgets decided on 27 January 2000 not to give an opinion. The Committee on Budgetary Control decided not to give an opinion on 21 March 2000.

The report was tabled on 23 March 2000.

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

LEGISLATIVE PROPOSAL

Proposal for a Council regulation amending regulation (EC) n°1255/1999 **on the common organisation of the market in milk and milk products (COM(1999) 631 – C5-0339/1999 – 1999/0254(CNS))**

The proposal is approved.

DRAFT LEGISLATIVE RESOLUTION

European Parliament legislative resolution on the proposal for a Council Regulation amending regulation (EC) n°1255/1999 on the common organisation of the market in milk and milk products (COM(1999) 631 – C5-0339/1999 – 1999/0254(CNS))

(Consultation procedure)

The European Parliament,

- having regard to the proposal of the Commission to the Council (COM (1999) 631¹,
 - having been consulted by the Council pursuant to Article 36 and 37 of the Treaty (C5-0339/1999),
 - having regard to Rule 67 of its Rules of Procedure,
 - having regard to the report of the Committee on Agriculture and Rural Development. (A5-0081/2000),
1. Approves the Commission proposal;
 2. Calls on the Council to notify Parliament should it intend to depart from the text approved by Parliament;
 3. Asks to be consulted again if the Council intends to amend the Commission proposal substantially;
 4. Instructs its President to forward its position to the Council and Commission.

¹ Not yet published in OJ.

EXPLANATORY STATEMENT

Regulation (EC) 1255/1999, adopted by the Council on 17 May 1999, lays down rules for the granting of export refunds for some milk products when they are exported in the form of goods listed in Annex II. The proposal for a regulation with which we are concerned here seeks to empower the Commission to amend the list of goods.

The proposal may be approved.

The proposal is one of the instruments which the Commission has outlined in its communication to the Council entitled 'Goods not covered by Annex I to the Treaty - Specific measures and inward processing' (COM(1999)625 final). It seeks to transfer to the Commission the power to amend the list of goods eligible for export refunds (Annex II to the basic regulation on the CMO in milk) to enable it to be consistent in its granting of refunds. The Commission already has this power in the areas of cereals, sugar, rice and eggs. The proposal thus involves the transfer of this power from the Council to the Commission. Under the proposal, the decision on the list of goods eligible for export refunds would be taken in accordance with the management committee procedure.

In its communication to the Council the Commission states what measures it proposes to take to ensure that export refunds for products not falling within Annex I remain within the framework of the EU's undertakings on export refunds, and that the EC's expenditure remains within the limits of the budget. According to the communication, the expenditure forecast for the 2000 financial year is of the order of EUR 578 m. In the 200[1] budget EUR 551 m has been earmarked for this purpose. The international undertakings require no more than EUR 415 m to be spent in 2001 on export refunds on goods not falling within Annex 1. Measures must therefore be taken to ensure in the long term that expenditure relating to goods not falling within Annex 1 is at the level of WTO undertakings.

At the same time, since Parliament considers it important for the Community to comply with international undertakings and budget discipline, it notes that the measures which the proposal makes possible and which are proposed in the Commission's communication must not, however, prevent the development of Community agricultural products and exports.

In its communication the Commission proposes *inter alia* that those goods not falling within Annex I the export of which is less sensitive to the price of raw materials obtained from agriculture should be excluded from the payment of export refund. In that case some of these goods could be deleted from the list of goods eligible for export refund. In addition, if a product falling within Annex I is not eligible for refund, there can be no reason for granting a refund to a processed product not covered by that Annex. These measures seek to ensure that in each of the basic regulations (on milk, sugar, cereals and eggs) the headings of the annexes referring to goods not falling within Annex I are deleted.

The Commission has the power to amend the annexes to these regulations irrespective of Regulation (EC) 1255/99. Parliament considers it logical and necessary that this Council regulation should be amended, so that the Commission can amend the annex concerning goods not falling within Annex I.