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I

*(Acts whose publication is obligatory)***COUNCIL REGULATION (EEC) No 337/77****of 14 February 1977****temporarily and totally suspending the autonomous Common Customs Tariff duties on potatoes falling within subheadings 07.01 A II a) and III b)**

THE COUNCIL OF THE EUROPEAN
COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community, and in particular Article 28 thereof,

Having regard to the draft Regulation submitted by the Commission,

Whereas, in view of the risk of increases in the cost of living as a result of the present inadequate supplies of potatoes in the Community, the suspension of the autonomous Common Customs Tariff duties currently applying pursuant to Regulation (EEC) No 2894/76 ⁽¹⁾ and expiring on 28 February 1977 should be extended from 1 to 31 March 1977 for potatoes falling within subheading 07.01 A II a) and from 1 March to 15 April 1977 for potatoes falling within subheading 07.01 A III b),

HAS ADOPTED THIS REGULATION :

Article 1

The autonomous Common Customs Tariff duties on the following goods shall be totally suspended for the period indicated in respect of each of them :

CCT heading No	Description of goods	Period
07.01 A II a)	New potatoes	1 to 31 March 1977
07.01 A III b)	Other potatoes	1 March to 15 April 1977

Article 2

This Regulation shall enter into force on 1 March 1977.

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

Done at Brussels, 14 February 1977.

For the Council

The President

J. SILKIN

⁽¹⁾ OJ No L 332, 1. 12. 1976 p. 1.

COUNCIL REGULATION (EEC) No 338/77**of 14 February 1977****amending Regulation (EEC) No 315/68 fixing quality standards for flowering bulbs, corms and tubers**

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community,

Having regard to Council Regulation (EEC) No 234/68 of 27 February 1968 on the establishment of a common organization of the market in live trees and other plants, bulbs, roots and the like, cut flowers and ornamental foliage⁽¹⁾, and in particular Article 3 thereof,

Having regard to the proposal from the Commission,

Whereas the first indent of Article 2 (1) of Council Regulation (EEC) No 315/68 of 12 March 1968 fixing quality standards for flowering bulbs, corms and tubers⁽²⁾, as last amended by Regulation (EEC) No 2971/76⁽³⁾, provides that if produce listed in Article 1 does not conform to the quality standards it may not within the Community be displayed for sale, offered for sale, sold or delivered to the consumer for his personal needs by a trader or directly by a producer;

Whereas produce intended for consumers may be packed at the production stage or at the wholesale stage;

Whereas, to ensure simpler and more effective control, the packed produce should be subjected to the quality standards;

Whereas also the Annex to Council Regulation (EEC) No 315/68 lays down provisions on size gradings; whereas these provisions do not apply to products of the following genera: *Allium*, *Anemone*, with the exception of the *coronaria* species, *Chionodoxa*, *Endymion*, *Fritillaria*, *Puschkinia*, *Tigridia*, *Triteleia*,

and to the *Scilla sibirica* species, its cultivars and hybrids with the exception of the *atrocaerulea* (Spring beauty) cultivar; whereas, in order further to achieve the objectives of the quality standards, provisions on size grading should also be laid down for these products,

HAS ADOPTED THIS REGULATION:

Article 1

The text of Article 2 (1) of Regulation (EEC) No 315/68 shall be replaced by the following:

- ‘1. If produce referred to in Article 1 does not conform to the quality standards, it may not:
- within the Community:
 - (a) be held or transported with a view to sale, at any marketing stage, in packs intended for the consumer;
 - (b) be displayed for sale, offered for sale, sold or supplied to the consumer, by a trader or directly by a producer,
 - be exported to third countries.’

Article 2

There shall be added to the table in Chapter III of the Annex to Regulation (EEC) No 315/68, in alphabetical order, the products listed in the Annex to this Regulation and the provisions respectively relating to them.

Article 3

This Regulation shall enter into force on 1 July 1977.

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

Done at Brussels, 14 February 1977.

For the Council

The President

J. SILKIN

⁽¹⁾ OJ No L 55, 2. 3. 1968, p. 1.

⁽²⁾ OJ No L 71, 21. 3. 1968, p. 1.

⁽³⁾ OJ No L 339, 8. 12. 1976, p. 17.

ANNEX

Botanical description of products	Method of grading	Minimum size	Size gradings
<i>Allium aflatunense</i> , <i>christophii</i> and <i>karataviense</i>	A, B, C	9.0 cm	9-10, 10-12, 12-14, 14 and over
<i>Allium giganteum</i>	A, B, C	18.0 cm	18-20, 20-24, 24 and over
<i>Allium oreophilum</i>	A, B, C	3.5 cm	3.5-4, 4-5, 5-6, 6 and over
<i>Anemone blanda</i> , its cultivars and hybrids	A, B, C	4.0 cm	4-5, 5-7, 7 and over
<i>Anemone</i> St. Bavo, its cultivars and hybrids	A, B, C	4.0 cm	4-5, 5-6, 6-7, 7 and over
<i>Chionodoxa gigantea</i> , <i>luciliae</i> and <i>sardensis</i>	A, B, C	4.0 cm	4-5, 5-7, 7 and over
<i>Endymion hispanicus</i> Syn. <i>Scilla campanulata</i> , its cultivars, and hybrids	A, B, C	7.0 cm	7-8, 8-9, 9-10, 10-12, 12 and over
<i>Fritillaria imperialis</i> , its cultivars and hybrids	A, B, C	20.0 cm	20-22, 22-26, 26 and over
<i>Puschkinia scilloides libanotica</i>	A, B, C	4.0 cm	4-5, 5-7, 7 and over
<i>Scilla sibirica</i> , its cultivars and hybrids excluding cultivar <i>atrocaerulea</i>	A, B, C	6.0 cm	6-7, 7-8, 8-10, 10 and over
<i>Tigridia pavonia</i> Syn. <i>Ferraria</i> , its cultivars and hybrids	A, B, C	5.0 cm	5-6, 6-7, 7-8, 8-10, 10 and over
<i>Triteleia</i> Syn. <i>Brodiaea laxa</i> and <i>Koningin Fabiola</i>	A, B, C	4.0 cm	4-5, 5-7, 7 and over

COUNCIL REGULATION (EEC) No 339/77**of 14 February 1977****laying down special measures in the tobacco sector in respect of the Beneventano variety of tobacco**

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community, and in particular Article 43 thereof,

Having regard to Council Regulation (EEC) No 727/70 of 21 April 1970 on the common organization of the market in raw tobacco ⁽¹⁾, as last amended by the Act of Accession ⁽²⁾, and in particular Article 13 (3) and (8) thereof,

Having regard to the proposal from the Commission,

Having regard to the opinion of the European Parliament ⁽³⁾,

Having regard to the opinion of the Economic and Social Committee ⁽⁴⁾,

Whereas the Commission report provided for in Article 13 (1) of Regulation (EEC) No 727/70 shows that there has been a considerable increase in the quantities of the Beneventano variety taken over by the intervention agencies; whereas these quantities greatly exceed the quantities and the percentage of production fixed by Regulation (EEC) No 1469/70 ⁽⁵⁾ above which the procedure laid down in Article 13 of Regulation (EEC) No 727/70 applies;

Whereas, despite a very careful price policy whereby the norm price was frozen for three years and the premium considerably increased, the marketing situation has worsened; whereas the specific measures provided for should therefore be applied, that is, the intervention price level should be lowered and all quantities of this variety should be partially excluded from intervention buying; whereas, in order to restore a balance on the market, it is necessary to apply these measures to several successive harvests;

Whereas these measures will bring about a considerable reduction in tobacco grower's income and a drop in the level of employment; whereas these difficulties should be alleviated by the granting of aid;

Whereas, in order to ensure that the replanting of the areas concerned does not create marketing difficulties for the varieties of tobacco which are substituted, provision should be made for the possibility of suspending measures encouraging replanting when

there is a clear danger of disturbing the balance of the market;

Whereas the aid should be fixed at a level which offsets the loss in income and helps maintain tobacco-processing activities by encouraging the growers to change to varieties more in demand on the market;

Whereas growers of this variety either belong to associations or cultivate tobacco under contract for processors; whereas the Member States should therefore be allowed to apply this Regulation directly to such associations and processors with a view to facilitating the changeover programme and administrative controls;

Whereas, since part of this aid is intended to offset the loss in income, the beneficiaries should be required to pay this part of the aid directly to the growers in proportion to the areas which they replant with other varieties,

HAS ADOPTED THIS REGULATION:

Article 1

A programme of measures applicable to the Beneventano variety of tobacco shall be adopted for the 1977, 1978 and 1979 harvests.

Article 2

The intervention price for the Beneventano variety of tobacco shall be reduced from 90 to 80 % of the corresponding norm price.

Article 3

The quantities of all qualities of tobacco of the Beneventano variety harvested in 1977, 1978 and 1979 which may be the subject of intervention buying shall be limited to 75, 60 and 35 % respectively of the corresponding quantities of the 1975 harvest taken over by the intervention agency.

Article 4

1. Special aid per hectare shall be granted at their request to growers or groups of growers who plant with other varieties all or part of the area which was under the Beneventano variety of tobacco for the pre-

⁽¹⁾ OJ No L 94, 28. 4. 1970, p. 1.

⁽²⁾ OJ No L 73, 27. 3. 1972, p. 14.

⁽³⁾ Opinion delivered on 11 February 1977 (not yet published in the Official Journal).

⁽⁴⁾ Opinion delivered on 26 January 1977 (not yet published in the Official Journal).

⁽⁵⁾ OJ No L 164, 27. 7. 1970, p. 35.

vious year's harvest and subject to supervision by the intervention agency and who undertake not to replant this variety for five years.

2. If the changeover to other varieties leads or threatens to lead to marketing difficulties for one or more of the substitute varieties, a decision may be taken, in accordance with the procedure laid down in Article 17 of Regulation (EEC) No 727/70, not to grant for the following harvest the aid referred to in paragraph 1 for areas converted from the Beneventano variety to the varieties in question.

Article 5

Member States may apply this Regulation directly both to organizations of growers functioning as producers and processors, and to processors who make contracts with growers for tobacco cultivation, on condition that the latter receive the benefits deriving from the plantation of other varieties.

Article 6

1. The level of the aid provided for in Article 4 is fixed from the 1977 harvest at 500 units of account per hectare planted with other varieties.

2. This aid is intended to offset the effects of the application of the measures laid down in Articles 2 and 3 on the standard of living of the planters concerned and to cover the initial expenditure entailed by the changeover.

3. Where the option provided for in Article 5 is exercised, the growers shall receive directly 65 % of the aid calculated in proportion to the areas which have been planted with other varieties, representing the compensation referred to in paragraph 2.

Article 7

The detailed rules for the application of this Regulation shall be adopted in accordance with the procedure laid down in Article 17 of Regulation (EEC) No 727/70.

Article 8

The special aid provided for in Article 4 shall be considered, for the purpose of the financing of the common agricultural policy, as an intervention measure intended to stabilize the agricultural market.

Article 9

The Council, acting by a qualified majority on a proposal from the Commission, shall if necessary adjust the amount of the aid for the 1978 and 1979 harvests.

Article 10

This Regulation shall enter into force on 1 March 1977.

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

Done at Brussels, 14 February 1977.

For the Council

The President

J. SILKIN

COUNCIL REGULATION (EEC) No 340/77

of 14 February 1977

amending Regulation (EEC) No 2511/69 laying down special measures for improving the production and marketing of Community citrus fruit

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community, and in particular Article 43 thereof,

Having regard to the proposal from the Commission,

Having regard to the opinion of the European Parliament⁽¹⁾,

Whereas Council Regulation (EEC) No 2511/69 of 9 December 1969 laying down special measures for improving the production and marketing of Community citrus fruit⁽²⁾, as last amended by Regulation (EEC) No 793/76⁽³⁾, provides for additional aid to small growers to offset part of the loss of income entailed by replanting;

Whereas experience has shown that the conditions for granting this additional aid unduly limit the number of its recipients;

Whereas in order to take better account of the special situation of holdings in certain regions of the Community and of agricultural incomes compared with the trend of non-agricultural incomes and to enable certain growers with low incomes to receive aid, the

conditions for granting this additional aid should be relaxed,

HAS ADOPTED THIS REGULATION:

Article 1

The first subparagraph of Article 4 (1) of Regulation (EEC) No 2511/69 is hereby amended to read as follows:

'The aid referred to in Article 1 (2) shall be paid to growers for whom oranges and mandarins are their main crop, on condition that:

- the income derived from their holding does not exceed the income derived from four hectares of orange and mandarin trees,
- at least 40 % of the area used for growing orange and mandarin trees is replanted at one time,
- an area of at least 20 ares is replanted.'

Article 2

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

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

Done at Brussels, 14 February 1977.

For the Council

The President

J. SILKIN

⁽¹⁾ Opinion delivered on 11 February 1977 (not yet published in the Official Journal).

⁽²⁾ OJ No L 318, 18. 12. 1969, p. 1.

⁽³⁾ OJ No L 93, 8. 4. 1976, p. 1.

COMMISSION REGULATION (EEC) No 341/77**of 18 February 1977****fixing the import levies on cereals and on wheat or rye flour groats and meal**

THE COMMISSION OF THE EUROPEAN
COMMUNITIES,

Having regard to the Treaty establishing the European
Economic Community,

Having regard to Council Regulation (EEC) No
2727/75 of 29 October 1975 on the common organiza-
tion of the market in cereals⁽¹⁾, as last amended by
Regulation (EEC) No 3138/76⁽²⁾, and in particular
Article 13 (5) thereof,

Whereas the import levies on cereals, wheat and rye
flour, and wheat groats and meal were fixed by Regula-
tion (EEC) No 1882/76⁽³⁾ and subsequent amending
Regulations ;

Whereas it follows from applying the provisions
contained in Regulation (EEC) No 1882/76 to the

offer prices and today's quotations known to the
Commission that the levies at present in force should
be altered as shown in the Annex to this Regulation,

HAS ADOPTED THIS REGULATION :

Article 1

The import levies to be charged on products listed in
Article 1 (a), (b) and (c) of Regulation (EEC) No
2727/75 are hereby fixed as shown in the table
annexed to this Regulation.

Article 2

This Regulation shall enter into force on 19 February
1977.

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

Done at Brussels, 18 February 1977.

For the Commission

Finn GUNDELACH

Vice-President

⁽¹⁾ OJ No L 281, 1. 11. 1975, p. 1.

⁽²⁾ OJ No L 354, 24. 12. 1976, p. 1.

⁽³⁾ OJ No L 206, 31. 7. 1976, p. 62.

ANNEX

to the Commission Regulation of 18 February 1977 fixing the import levies on cereals and on wheat or rye flour groats and meal

(u.a./tonne)		
CCT heading No	Description of goods	Levies
10.01 A	Common wheat, and meslin	80.22
10.01 B	Durum wheat	124.18 ⁽¹⁾ ⁽⁵⁾
10.02	Rye	60.96 ⁽⁶⁾
10.03	Barley	38.78
10.04	Oats	35.96
10.05 B	Maize, other than hybrid maize for sowing	49.68 ⁽²⁾ ⁽³⁾
10.07 A	Buckwheat	0
10.07 B	Millet	56.44 ⁽⁴⁾
10.07 C	Grain sorghum	57.96 ⁽⁴⁾
10.07 D	Other cereals	0 ⁽⁵⁾
11.01 A	Wheat or meslin flour	123.91
11.01 B	Rye flour	96.93
11.02 A I a)	Durum wheat groats and meal	203.08
11.02 A I b)	Common wheat groats and meal	132.81

⁽¹⁾ Where durum wheat originating in Morocco is transported directly from that country to the Community, the levy is reduced by 0.50 u.a./tonne.

⁽²⁾ Where maize originating in the ACP or OCT is imported into the French overseas departments, the levy is reduced by 6 u.a./tonne as provided for in Regulation (EEC) No 706/76.

⁽³⁾ Where maize originating in the ACP or OCT is imported into the Community the levy is reduced by 1.50 u.a./tonne.

⁽⁴⁾ Where millet and sorghum originating in the ACP or OCT is imported into the Community the levy is reduced by 50 %.

⁽⁵⁾ Where durum wheat and canary seed produced in Turkey are transported directly from that country to the Community, the levy is reduced by 0.50 u.a./tonne.

⁽⁶⁾ The import levy charged on rye produced in Turkey and transported directly from that country to the Community is laid down in Council Regulation (EEC) No 2754/75 and Commission Regulation (EEC) No 2622/71.

COMMISSION REGULATION (EEC) No 342/77**of 18 February 1977****fixing the premiums to be added to the import levies on cereals, flour and malt**

THE COMMISSION OF THE EUROPEAN
COMMUNITIES,

Having regard to the Treaty establishing the European
Economic Community,

Having regard to Council Regulation (EEC) No
2727/75 of 29 October 1975 on the common organ-
ization of the market in cereals ⁽¹⁾, as last amended by
Regulation (EEC) No 3138/76 ⁽²⁾, and in particular
Article 15 (6) thereof,

Whereas the premiums to be added to the levies on
cereals and malt were fixed by Regulation (EEC) No
1883/76 ⁽³⁾ and subsequent amending Regulations ;

Whereas, on the basis of today's cif prices and cif
forward delivery prices, the premiums at present in
force, which are to be added to the levies, should be

altered as shown in the tables annexed to this Regula-
tion,

HAS ADOPTED THIS REGULATION :

Article 1

The scale of the premiums to be added, pursuant to
Article 15 of Regulation (EEC) No 2727/75, to the
import levies fixed in advance in respect of cereals
and malt is hereby fixed as shown in the tables
annexed to this Regulation.

Article 2

This Regulation shall enter into force on 19 February
1977.

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

Done at Brussels, 18 February 1977.

For the Commission

Finn GUNDELACH

Vice-President

⁽¹⁾ OJ No L 281, 1. 11. 1975, p. 1.

⁽²⁾ OJ No L 354, 24. 12. 1976, p. 1.

⁽³⁾ OJ No L 206, 31. 7. 1976, p. 64.

ANNEX

to the Commission Regulation of 18 February 1977 fixing the premiums to be added to the import levies on cereals, flour and malt

A. Cereals and flour

(u.a./tonne)

CCT heading No	Description of goods	Current 2	1st period 3	2nd period 4	3rd period 5
10.01 A	Common wheat, and meslin	0	0	0	0
10.01 B	Durum wheat	0	0	0	3.51
10.02	Rye	0	0	0	5.13
10.03	Barley	0	1.14	1.14	1.14
10.04	Oats	0	0	0	5.70
10.05 B	Maize, other than hybrid maize for sowing	0	2.66	2.66	3.42
10.07 A	Buckwheat	0	0	0	0
10.07 B	Millet	0	0	0	0
10.07 C	Grain sorghum	0	0.38	0.38	2.09
10.07 D	Other cereals	0	0	0	0
11.01 A	Wheat or meslin flour	0	0	0	0

B. Malt

(u.a./tonne)

CCT heading No	Description of goods	Current 2	1st period 3	2nd period 4	3rd period 5	4th period 6
11.07 A I (a)	Unroasted malt, obtained from wheat, in the form of flour	0	0	0	0	0
11.07 A I (b)	Unroasted malt, obtained from wheat, other than in the form of flour	0	0	0	0	0
11.07 A II (a)	Unroasted malt, other than that obtained from wheat, in the form of flour	0	2.03	2.03	2.03	2.03
11.07 A II (b)	Unroasted malt, other than that obtained from wheat, other than in the form of flour	0	1.52	1.52	1.52	1.52
11.07 B	Roasted malt	0	1.77	1.77	1.77	1.77

COMMISSION REGULATION (EEC) No 343/77**of 18 February 1977****altering components used to calculate the differential amounts for colza and rape seed**

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community,

Having regard to Council Regulation No 136/66/EEC of 22 September 1966 on the establishment of a common organization of the market in oils and fats⁽¹⁾, as last amended by Regulation (EEC) No 1707/73⁽²⁾,

Having regard to Council Regulation (EEC) No 1569/72 of 20 July 1972 laying down special measures for colza and rape seed⁽³⁾, as last amended by Regulation (EEC) No 3477/73⁽⁴⁾, and in particular Article 3,

Whereas Commission Regulation (EEC) No 2300/73 of 23 August 1973⁽⁵⁾, as last amended by Regulation (EEC) No 632/75⁽⁶⁾, laid down detailed rules of application for Regulation (EEC) No 1569/72; whereas the components used to calculate the differential amounts were fixed by Regulation (EEC) No 1580/76⁽⁷⁾, as last

amended by Regulation (EEC) No 247/77⁽⁸⁾; whereas, in the case of the the pound sterling and the Irish pound, the difference referred to in Article 2 (1) of Regulation (EEC) No 1569/72 for the period 9 to 15 February 1977 has changed, by reference to the representative rate valid 21 February 1977, by at least one point from the percentage used for the previous fixing; whereas this fact should be taken into account when fixing the components used to calculate the differential amounts for colza and rape seed,

HAS ADOPTED THIS REGULATION:

Article 1

The Annex to amended Regulation (EEC) No 1580/76 is hereby replaced by the Annex to this Regulation.

Article 2

This Regulation shall enter into force on 21 February 1977.

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

Done at Brussels, 18 February 1977.

For the Commission

Finn GUNDELACH

Vice-President

(1) OJ No 172, 30. 9. 1966, p. 3025/66.

(2) OJ No L 175, 29. 6. 1973, p. 5.

(3) OJ No L 167, 25. 7. 1972, p. 9.

(4) OJ No L 357, 28. 12. 1973, p. 6.

(5) OJ No L 236, 24. 8. 1973, p. 28.

(6) OJ No L 66, 13. 3. 1975, p. 11.

(7) OJ No L 172, 1. 7. 1976, p. 61.

(8) OJ No L 34, 5. 2. 1977, p. 5.

ANNEX

to the Commission Regulation of 18 February 1977 altering components used to calculate the differential amounts for colza and rape seed

	Target price corrective (coefficient to be applied)	Subsidy or refund corrective (coefficient to be applied)	Differential component (coefficient to be applied to the target price) (%)	
1. Colza and rape seed, processed for oil production in Germany or exported from that country :	+ 0.0930	— 0.0930	+	—
— harvested in Germany			—	—
— harvested in the BLEU or in the Netherlands			—	0.0803
— harvested in France			—	0.2201
— harvested in Denmark			—	0.0930
— harvested in Ireland			—	0.1893
— harvested in the United Kingdom			—	0.3341
— harvested in Italy			—	0.2529
2. Colza and rape seed, processed for oil production in the BLEU and in the Netherlands or re-exported from that country :	+ 0.0140	— 0.0140	+	—
— harvested in Germany			0.0873	—
— harvested in the BLEU or in the Netherlands			—	—
— harvested in France			—	0.1520
— harvested in Denmark			—	0.0140
— harvested in Ireland			—	0.1186
— harvested in the United Kingdom			—	0.2760
— harvested in Italy			—	0.1877
3. Colza and rape seed, processed for oil production in Denmark or exported from that country :	Nil	Nil	+	—
— harvested in Germany			0.1027	—
— harvested in the BLEU or in the Netherlands			0.0142	—
— harvested in France			—	0.1400
— harvested in Denmark			—	—
— harvested in Ireland			—	0.1061
— harvested in the United Kingdom			—	0.2627
— harvested in Italy			—	0.1762
4. Colza and rape seed, processed for oil production in France or exported from that country :	— 0.1627	+ 0.1627	+	—
— harvested in Germany			0.2821	—
— harvested in the BLEU or in the Netherlands			0.1792	—
— harvested in France			—	—
— harvested in Denmark			0.1627	—
— harvested in Ireland			0.0394	—
— harvested in the United Kingdom			—	0.1462
— harvested in Italy			—	0.0421

	Target price corrective (coefficient to be applied)	Subsidy or refund corrective (coefficient to be applied)	Differential component (coefficient to be applied to the target price) (*)	
5. Colza and rape seed, processed for oil production in the United Kingdom or exported from that country :	— 0.3619	+ 0.3619	+	—
— harvested in Germany			0.5017	—
— harvested in the BLEU or in the Netherlands			0.3812	—
— harvested in France			0.1713	—
— harvested in Denmark			0.3619	—
— harvested in Ireland			0.2174	—
— harvested in the United Kingdom			—	—
— harvested in Italy			0.1219	—
6. Colza and rape seed, processed for oil production in Ireland or exported from that country :	— 0.1187	+ 0.1187	+	—
— harvested in Germany			0.2336	—
— harvested in the BLEU or in the Netherlands			0.1346	—
— harvested in France			—	0.0379
— harvested in Denmark			0.1187	—
— harvested in Ireland			—	—
— harvested in the United Kingdom			—	0.1786
— harvested in Italy			—	0.0784
7. Colza and rape seed, processed for oil production in Italy or exported from that country :	— 0.2139	+ 0.2139	+	—
— harvested in Germany			0.3386	—
— harvested in the BLEU or in the Netherlands			0.2311	—
— harvested in France			0.0439	—
— harvested in Denmark			0.2139	—
— harvested in Ireland			0.0851	—
— harvested in the United Kingdom			—	0.1086
— harvested in Italy			—	—

(*) For seed harvested in the United Kingdom and Denmark, the accession compensatory amount shall be deducted from the target price.

COMMISSION REGULATION (EEC) No 344/77
of 18 February 1977
determining the world market price for colza and rape seed

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community,

Having regard to Council Regulation No 136/66/EEC of 22 September 1966 on the establishment of a common organization of the markets in oils and fats⁽¹⁾, as last amended by Regulation (EEC) No 1707/73⁽²⁾,

Having regard to Council Regulation (EEC) No 1569/72 of 20 July 1972 laying down special measures for colza and rape seed⁽³⁾, as last amended by Regulation (EEC) No 3477/73⁽⁴⁾,

Having regard to Commission Regulation (EEC) No 2300/73 of 23 August 1973 laying down detailed rules for applying differential amounts for colza and rape seed and repealing Regulation (EEC) No 1464/73⁽⁵⁾, as last amended by Regulation (EEC) No 632/75⁽⁶⁾, and in particular Article 9 (4) thereof,

Having regard to the opinion of the Monetary Committee,

Whereas, pursuant to Article 9 (4) of Regulation (EEC) No 2300/73, the Commission must determine the world market price for colza and rape seed;

Whereas the world market price should be determined in accordance with the rules and the criteria set out in Commission Regulation (EEC) No 1713/76 of 15 July 1976 fixing the amount of the subsidy on

oil seeds⁽⁷⁾, as last amended by Regulation (EEC) No 326/77⁽⁸⁾;

Whereas to enable the price system to operate normally, the world market price should be calculated on the following basis:

- in the case of currencies which are maintained in relation to each other, at any given moment, within a band of 2.25 %, a rate of exchange based on their effective parity;
- for other currencies an exchange rate based on the arithmetic mean of the spot market rates of each of these currencies recorded for a given period, in relation to the Community currencies referred to in the previous subparagraph;

Whereas, applying all these provisions, the world market price for colza and rape seed should be fixed as shown in the table annexed to this Regulation,

HAS ADOPTED THIS REGULATION:

Article 1

The world market price referred to in Article 9 (4) of Regulation (EEC) No 2300/73 and the rates to be used for converting them into national currencies shall be as shown in the table annexed to this Regulation.

Article 2

This Regulation shall enter into force on 21 February 1977.

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

Done at Brussels, 18 February 1977.

For the Commission

Finn GUNDELACH

Vice-President

(1) OJ No 172, 30. 9. 1966, p. 3025/66.

(2) OJ No L 175, 29. 6. 1973, p. 5.

(3) OJ No L 167, 25. 7. 1972, p. 9.

(4) OJ No L 357, 28. 12. 1973, p. 6.

(5) OJ No L 236, 24. 8. 1973, p. 28.

(6) OJ No L 66, 13. 3. 1975, p. 11.

(7) OJ No L 192, 16. 7. 1976, p. 17.

(8) OJ No L 45, 17. 2. 1977, p. 21.

ANNEX

World market price applicable from 21 February 1977 for colza and rape seed (CCT heading No ex 12.01)

	u.a./100 kg ⁽¹⁾
World market price	23.739
World market price where the subsidy is fixed in advance :	
— for the month of February 1977	23.739
— for the month of March 1977	23.739
— for the month of April 1977	23.302
— for the month of May 1977	23.302
— for the month of June 1977	23.454
— for the month of July 1977	23.454

⁽¹⁾ The conversion rates from units of account into national currency as foreseen by Article 9 (5) (a) of Regulation (EEC) No 2300/73 are the following :

1 u.a. =	DM	3.15665
1 u.a. =	Fl	3.35507
1 u.a. =	Bfr/Lfr	48.6572
1 u.a. =	FF	6.54982
1 u.a. =	Dkr	7.89407
1 u.a. =	£	0.775723
1 u.a. =	I £	0.775723
1 u.a. =	Lit	1 168.98

COMMISSION REGULATION (EEC) No 345/77

of 18 February 1977

opening an invitation to tender for the mobilization of common wheat flour as food aid for the United Nations Relief and Works Agency for Palestine (UNRWA)

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community,

Having regard to Council Regulation (EEC) No 2727/75 of 29 October 1975 on the common organization of the market in cereals ⁽¹⁾, as amended by Regulation (EEC) No 3138/76 ⁽²⁾,

Having regard to Council Regulation (EEC) No 2750/75 of 29 October 1975 laying down the conditions for the mobilization of cereals as food aid ⁽³⁾, and in particular Article 6 thereof,

Whereas on 8 February 1977 the Council of the European Communities declared that it proposed, by way of Community action, to grant the equivalent of 13 300 tonnes of common wheat (in other words 10 000 tonnes of common wheat flour) to UNRWA under its 1976/77 food-aid programme;

Whereas pursuant to Article 3 (3) of Council Regulation (EEC) No 2750/75 the goods may be purchased anywhere on the Community market;

Whereas the proposed invitation to tender should be for supply of the products delivered Ashdod and Lattakia, that is at the moment when the goods are actually placed on the dock or in the lighter where applicable;

Whereas tenders may be submitted by tenders established in any Member State of the Community and may relate to products mobilized anywhere within those Member States; whereas, in view of the currency situation in the Member States and in order to ensure that the tenders are as comparable as possible, account should be taken of the effect on each tender of the currency situation in the Member State in which the customs export formalities will be completed;

Whereas the award under the invitation to tender must be made to the tenderer offering the best terms;

Whereas should *force majeure* make it impossible to complete the operation in question within the time limits specified, it must be made clear who is to bear the liability for any costs;

Whereas provision should be made for security to be given for the purpose of guaranteeing that the obligations arising by virtue of participation in the invitation to tender for supplies to UNRWA will be fulfilled;

Whereas the Italian intervention agency should be made responsible for the tendering procedure;

Whereas the Commission must be informed quickly of the tenders submitted in response to the invitation and of those accepted by the intervention agency;

Whereas the Monetary Committee will be consulted; whereas, in view of the urgency, the measures envisaged should be adopted in accordance with the conditions laid down in Article 3 (2) of Council Regulation No 129 on the value of the unit of account and the exchange rates to be applied for the purposes of the common agricultural policy ⁽⁴⁾, as last amended by Regulation (EEC) No 2543/73 ⁽⁵⁾, and in particular Article 3 thereof;

Whereas the measures provided for in this Regulation are in accordance with the opinion of the Management Committee for Cereals,

HAS ADOPTED THIS REGULATION:

Article 1

1. Tenders are hereby invited for the supply to UNRWA, by way of Community food-aid action, of 10 000 tonnes of common wheat flour.

2. The tendering procedure shall take place in Italy in two lots. The product shall be mobilized on the Community market. The product shall be loaded for departure from any Community port.

3. The invitation to tender provided for in paragraph 1 is for supply of products delivered Ashdod (7 000 tonnes) and Lattakia (3 000 tonnes), that is at the moment when the goods are actually placed on the dock or in the lighter where applicable.

⁽¹⁾ OJ No L 281, 1. 11. 1975, p. 1.

⁽²⁾ OJ No L 354, 24. 12. 1976, p. 1.

⁽³⁾ OJ No L 281, 1. 11. 1975, p. 89.

⁽⁴⁾ OJ No 106, 30. 10. 1962, p. 2553/62.

⁽⁵⁾ OJ No L 263, 19. 9. 1973, p. 1.

4. The successful tenderer shall deliver the product specified in paragraph 1 in new jute sacks of a net capacity of 50 kilograms.

Minimum weight of sacks shall be 600 grams. The following shall be printed on the sacks:

'Wheat flour / Gift of the European Economic Community to UNRWA / For Palestine refugees.'

To allow for the possibility of re-bagging, the successful tenderer shall supply 2 % of new empty sacks, of the same quality as those containing the goods but with the printing followed by a capital letter 'R'.

Article 2

1. The decision on tenders received in response to the invitation provided for in Article 1 shall be taken on 4 March 1977.

2. The closing date for submission of tenders shall be 4 March 1977 at 12 noon.

3. The notice of invitation to tender shall be published in the *Official Journal of the European Communities* not less than nine days before the closing date for submission of tenders.

Article 3

1. The prices offered must be expressed in the currency of the Member State in which the invitation to tender was issued.

2. Tenders must in particular mention the Member State in which the tenderer, in the event of his being declared successful, expects to complete the customs export formalities for the products concerned.

3. For the purpose of rendering the tenders comparable the prices shall where appropriate, be corrected by the monetary compensatory amount and the accession compensatory amount applicable on the closing date for submission of tenders to exports from the Member State mentioned in the tender pursuant to paragraph 2.

Such correction shall be made by:

- increasing prices which mention a Member State whose currency has depreciated or a new Member State,
- reducing prices which mention a Member State whose currency has been revalued.

The monetary compensatory amount shall, where appropriate, be converted into the currency of the Member State in which the invitation to tender is issued using:

- in the case when the currencies concerned are kept at any given moment within a band of 2.25 %, a conversion rate resulting from their central rate,
- in other cases, the average of the spot rates of the currencies concerned recorded in the Member

State in which the invitation to tender is issued during a period from the Wednesday of one week to the Tuesday of the following week being the period immediately preceding the closing date for submission of tenders.

Article 4

The contract shall be awarded to the tenderer offering the best terms, taking into consideration the adjustment referred to in Article 3 (3).

However, if the tenders submitted do not appear to reflect normal prices and costs, the intervention agency may cancel the invitation to tender.

Article 5

1. The tenderer shall give security in an amount of 10 units of account per tonne of goods.

It shall be released:

- in the case of all tenderers whose tenders are unsuccessful or are not accepted,
- in the case of the successful tenderer, when the operations concerned have been carried out within the prescribed time limit and on submission of the original export licence, duly granted and endorsed by the competent authorities of the Member State mentioned in the tender pursuant to Article 3 (2),
- in the case of the successful tenderer for quantities not supplied by reason of *force majeure*.

2. The security required under paragraph 1 may be provided in the form of a cash deposit or of a guarantee issued by a credit institution conforming to criteria laid down by each Member State.

Article 6

1. The common wheat flour referred to in Article 1 to be supplied to UNRWA must meet the following requirements:

- moisture: 14 % maximum,
- protein content: 10.5 % minimum ($N \times 6.25$ on dry matter),
- ash content: 0.62 % maximum referred to dry matter.

Flour not meeting these requirements shall be refused.

2. Tenders for supply to UNRWA of the common wheat flour referred to in Article 1 must relate to a product with the following characteristics:

- moisture: 14 % maximum,
- protein content: 10.5 % minimum ($N \times 6.25$ on dry matter),
- ash content: 0.62 % maximum referred to dry matter.

Article 7

1. The Italian intervention agency shall be responsible for the operations relating to the invitation to tender provided for by this Regulation.

2. It shall forthwith communicate to the Commission the list of firms which have responded to the invitation to tender, specifying the terms of each tender, together with the name and business name of the successful tenderer.

3. Where the customs export formalities for the mobilized product are completed in a Member State other than that in which the invitation to tender is issued, the intervention agency of the latter Member State shall be responsible for the operations following tendering, including payment to the successful tenderer.

In such case, the intervention agency choosing the successful tenderer shall immediately inform the intervention agency of the Member State concerned and shall supply it with all the information which it may require.

Furthermore, the amount of the successful tender shall be paid after it has been converted using the average of the spot rates referred to in Article 3 (3) to the tenderer in the currency of the Member State in which the operations relating to the tendering are completed.

4. The intervention agency shall request the successful tenderer to supply the following information :

- (a) after each shipment, a statement giving details of the quantities loaded, the quality of the products and the type of packing ;
- (b) the date of the departure of the ships ; the estimated date of arrival of the products at their destination ;
- (c) all possible contingencies which might occur during transportation of the products.

The information indicated above shall be forwarded by the intervention agency to the Commission immediately upon receipt.

5. When the intervention agency responsible for the operations relating to tendering is not the intervention agency which appoints the successful tenderer, it shall send as soon as possible to the latter the information necessary for releasing the security.

Article 8

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

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

Done at Brussels, 18 February 1977.

For the Commission

Finn GUNDELACH

Vice-President

COMMISSION REGULATION (EEC) No 346/77

of 18 February 1977

on the sale at prices fixed in advance of certain boned beef held by the intervention agencies

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

HAS ADOPTED THIS REGULATION :

Having regard to the Treaty establishing the European Economic Community,

Having regard to Council Regulation (EEC) No 805/68 of 27 June 1968 on the common organization of the market in beef and veal⁽¹⁾, as last amended by Regulation (EEC) No 568/76⁽²⁾, and in particular Article 7 (3) thereof,

Whereas Commission Regulation (EEC) No 79/75 of 14 January 1975⁽³⁾, as last amended by Regulation (EEC) No 3109/76⁽⁴⁾, provides for the sale by monthly tender of boned beef held by the intervention agencies; whereas not all the meat offered for tender has been allocated;

Whereas certain quantities of meat, boned in accordance with Commission Regulation (EEC) No 2630/75 of 16 October 1975 on the boning of beef bought in by the intervention agencies⁽⁵⁾, should be put up for sale;

Whereas certain boned beef should be put up for sale at prices fixed in advance in accordance with Articles 2 to 5 of Commission Regulation (EEC) No 216/69 of 4 February 1969 on detailed rules of application for the disposal of frozen beef and veal bought in by intervention agencies⁽⁶⁾, and at the same time certain necessary derogations should be provided for, particularly as regards payment for the goods;

Whereas removal from storage may be interrupted by *force majeure*; whereas the intervention agencies should therefore be permitted to take the necessary action in such cases;

Whereas the measures provided for in this Regulation are in accordance with the opinion of the Management Committee for Beef and Veal,

Article 1

1. During the period 21 February to 4 March 1977, the Danish, German and Irish intervention agencies shall each offer for sale up to 1 500 tonnes of beef boned in accordance with Regulation (EEC) No 2630/75.
2. The cuts and prices of this meat are set out in Annex 1.
3. The sales shall be conducted in accordance with Articles 2 to 5 of Regulation (EEC) No 216/69 and with the provisions of this Regulation.
4. Information concerning the quantities available and the places where the products are stored may be obtained by prospective purchasers from the addresses listed in Annex II.

Article 2

By way of derogation from Article 5 (1) of Regulation (EEC) No 216/69, the prices shall be paid as and when the goods are removed from store, in proportion to the quantities removed and not later than the day preceding each removal.

Article 3

By way of derogation from Article 4 (5) of Regulation (EEC) No 216/69, if the quantities available from an intervention agency are less than those for which offers are received on the day of entry into force of this Regulation, all such offers shall be considered to have been made at the same time.

Article 4

Where by reason of *force majeure* the purchaser is unable to comply with the time limit set for taking delivery, the intervention agency shall take such action as it considers necessary having regard to the circumstances invoked.

Article 5

This Regulation shall enter into force on 19 February 1977.

⁽¹⁾ OJ No L 148, 28. 6. 1968, p. 24.

⁽²⁾ OJ No L 67, 15. 3. 1976, p. 28.

⁽³⁾ OJ No L 10, 15. 1. 1975, p. 9.

⁽⁴⁾ OJ No L 351, 21. 12. 1976, p. 23.

⁽⁵⁾ OJ No L 268, 17. 10. 1975, p. 16.

⁽⁶⁾ OJ No L 28, 5. 2. 1969, p. 10.

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

Done at Brussels, 18 February 1977.

For the Commission

Christopher TUGENDHAT

Member of the Commission

ANNEXE I — ANHANG I — ALLEGATO I — BIJLAGE I — ANNEX I — BILAG I

Prix de vente exprimés en unités de compte par tonne — Verkaufspreise, ausgedrückt in RE/Tonne — Prezzi di vendita espressi in unità di conto per tonnellata — Verkoopprijzen, uitgedrukt in rekeneenheden per ton — Selling prices, expressed in units of account per tonne — Salgspriser udtrykt i RE/ton

1. DANMARK (a)	<i>Ungtyre</i> 1. kvalitet	<i>Tyre prima kvalitet</i>	<i>Stude</i> 1. kvalitet	<i>Kvier</i> 1. kvalitet	<i>Køer</i> 1. kvalitet	<i>Køer med kalvetænder</i> 1. kvalitet
Mørbrad	4 765		4 452		4 400	
Fileter	2 615		2 465		2 265	
Kød af bagfjerdinger (med undtagelse af fileter og mørbrad)	2 200		2 200		2 018	
Udbenede forfjerdinger	1 900		1 800		1 750	
Slag og bryst	1 500		1 500		1 400	
2. DEUTSCHLAND (a)	<i>Jungbullen</i>				<i>Ochsen</i>	
Filets	6 469				6 469	
Roastbeef	3 461				3 464	
Unterschalen	2 298				2 246	
Kugeln	2 329				2 272	
Hüften	2 240				2 163	
Kniekehlfleisch	1 882				1 882	
Hessen	1 750				1 700	
Dünnungen	1 500				1 450	
3. IRELAND (a)	<i>Cows</i>				<i>Steers 1, 2 and Heifers 2</i>	
Fillets	4 000				6 058	
Striploins	2 400				2 837	
Insides	—				2 450	
Outsides	—				2 392	
Knuckles	—				2 281	
Rumps	—				2 419	
Hindquarters (excluding fillets and striploins)	1 865				—	
Cube rolls	2 425				2 862	
Forequarters (excluding cube rolls)	1 640				1 760	
Plates and flanks	1 300				1 300	
Brisket	1 217				1 300	
Shins and shanks	1 563				1 750	

(a) Désossé après le 17 octobre 1975.

(a) Entbeint nach dem 17. Oktober 1975.

(a) Disossate dopo il 17 ottobre 1975.

(a) Uitgebeend na 17 oktober 1975.

(a) Boned after 17 October 1975.

(a) Udbenet efter den 17. oktober 1975.

ANNEXE II — ANHANG II — ALLEGATO II — BIJLAGE II — ANNEX II — BILAG II

Adresses des organismes d'intervention — Anschriften der Interventionsstellen — Indirizzi degli organismi d'intervento — Adressen van de interventiebureaus — Addresses of the intervention agencies — Interventionsorganernes adresser

BUNDESREPUBLIK DEUTSCHLAND :	Bundesanstalt für landwirtschaftliche Marktordnung (BALM), Geschäftsbereich 3 (Fleisch und Fleischerzeugnisse), Postfach 180107, Adickesallee 40, D 6000 Frankfurt am Main 18, Tel. (06 11) 55 04 61/55 05 41, Telex : 04 11 727/04 11 156
DANMARK :	Direktoratet for markedsordningerne, EF-Direktoratet, Frederiksborggade 18, 1360 København K, Tlf. (01) 15 41 30, Telex 15 137 Dk.
IRELAND :	Department of Agriculture and Fisheries, Agriculture House, Kildare Street, Dublin 2, Tel. (01) 78 90 11, ext. 23 56, Telex 4280 and 5118.

COMMISSION REGULATION (EEC) No 347/77

of 18 February 1977

correcting the Annex to Regulation (EEC) No 142/77 fixing an additional rate for determining the quantities of alcohol to be delivered as part of the wine deliveries for the 1976/77 wine-growing year

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community,

Having regard to Council Regulation (EEC) No 816/70 of 28 April 1970 laying down additional provisions for the common organization of the market in wine ⁽¹⁾, as last amended by Regulation (EEC) No 2842/76 ⁽²⁾, and in particular Articles 24a (6) and 35 thereof,

Whereas the text of the Annex to Commission Regulation (EEC) No 142/77 of 25 January 1977 fixing an additional rate for determining the quantities of

alcohol to be delivered as part of the wine deliveries for the 1976/77 wine-growing year ⁽³⁾, does not correspond to that on which the Management Committee for Wine expressed its opinion; whereas the text submitted to the Management Committee did not contain footnote ⁽²⁾; whereas it is therefore necessary to correct this error,

HAS ADOPTED THIS REGULATION:

Article 1

The Annex to Regulation (EEC) No 142/77 is amended to read as follows:

ANNEX

Applicable additional rate as referred to in Article 1

Yield and colour of wine	Regions in wine-growing Zone B	Certain regions in that part of France in wine-growing Zone C where sucrose may be added pursuant to Article 19 (3) of Regulation (EEC) No 816/70	Other regions in that part of France in wine-growing Zone C
150 hl/ha or over ⁽¹⁾	6 %	6 %	6 %
100 hl/ha or over but less than 150 hl/ha ⁽¹⁾	2 %	2 %	2 %
Less than 100 hl/ha			
White	2 %	2 %	2 %
Red/rosé			
— Less than 10°	2 %	1.5 %	1.5 %
— 10° or over	2 %	1.5 %	0 %

⁽¹⁾ White, red or rosé wines.

Article 2

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

It shall have effect from 26 January 1977.

⁽¹⁾ OJ No L 99, 5. 5. 1970, p. 1.

⁽²⁾ OJ No L 327, 26. 11. 1976, p. 2.

⁽³⁾ OJ No L 22, 26. 1. 1977, p. 23.

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

Done at Brussels, 18 February 1977.

For the Commission

Finn GUNDELACH

Vice-President

COMMISSION REGULATION (EEC) No 348/77

of 18 February 1977

re-establishing the levying of the customs duties on gloves, including mittens and mitts, protective, for all trades falling within subheading 42.03 B I, originating in Hong Kong to which the preferential tariff arrangements set out in Council Regulation (EEC) No 3021/76 apply

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community,

Having regard to Council Regulation (EEC) No 3021/76 of 13 December 1976 establishing preferential tariffs in respect of certain products originating in developing countries⁽¹⁾, and in particular Article 4 (2) thereof,

Whereas Article 1 (3) and (4) of that Regulation provides that the customs duties may, for each category of products, be suspended up to a Community ceiling, expressed in units of account, which will be equal — with the exception of certain products the value of the ceilings for which is given in Annex A of the Regulation in question — to the sum arrived at by adding together the value of the products in question imported cif into the Community in 1974 and coming from countries and territories covered by those arrangements, but not including products coming from countries and territories already covered by various preferential tariff arrangements established by the Community, and 5 % of the value of 1974 cif imports coming from other countries and from countries and territories already covered by such arrangements; however the ceiling resulting from the sum of this addition may in no case exceed 172.5 % of that resulting from the substitution of the year 1971 for the year 1974 in the first term of the addition and of the year 1972 for the year 1974 in the second term of the addition;

Whereas, having regard to that ceiling, the amounts for products originating in any one of the countries or territories listed in Annex B to that Regulation should be within a maximum Community amount representing 50 % of that ceiling, with the exception of certain products for which the maximum amount is to be reduced to the percentage indicated in Annex A to that Regulation; whereas, for these products, this reduced percentage will be 20 %;

Whereas Article 2 (2) of that Regulation provides that the levying of customs duties may be re-established at any time in respect of imports of the products in ques-

tion originating in any of the said countries or territories — with the exception of those listed in Annex C of the same Regulation — once the relevant Community amount has been reached;

Whereas, in respect of gloves, including mittens and mitts, protective, for all trades falling within subheading 42.03 B I, the ceiling, calculated as indicated above, should be 15 790 000 units of account, and therefore the maximum amount is 3 158 000 units of account; whereas on 14 February 1977, the amounts of imports into the Community of gloves, including mittens and mitts, protective, for all trades falling within subheading 42.03 B I, originating in Hong Kong, a country covered by preferential tariff arrangements, reached that maximum amount; whereas, bearing in mind the objectives of Regulation (EEC) No 3021/76 which provides that maximum amounts should not be exceeded, customs duties should be re-established in respect of the products in question in relation to Hong Kong,

HAS ADOPTED THIS REGULATION:

Article 1

As from 22 February 1977, the levying of customs duties, suspended in pursuance of Council Regulation (EEC) No 3021/76, shall be re-established in respect of the following products, imported into the Community and originating in Hong Kong:

CCT heading No	Description of goods
42.03	Articles of apparel and clothing accessories, of leather or of composition leather: B. Gloves, including mittens and mitts: I. Protective, for all trades

Article 2

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

⁽¹⁾ OJ No L 349, 20. 12. 1976, p. 23.

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

Done at Brussels, 18 February 1977.

For the Commission

Antonio GIOLITTI

Member of the Commission

COMMISSION REGULATION (EEC) No 349/77
of 18 February 1977
fixing the import levies on white sugar and raw sugar

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community,

Having regard to Council Regulation (EEC) No 3330/74 of 19 December 1974 on the common organization of the market in sugar⁽¹⁾, as last amended by Regulation (EEC) No 3138/76⁽²⁾, and in particular Article 15 (7) thereof,

Whereas the import levies on white sugar and raw sugar were fixed by Regulation (EEC) No 1564/76⁽³⁾, as last amended by Regulation (EEC) No 335/77⁽⁴⁾;

Whereas it follows from applying the rules and other provisions contained in Regulation (EEC) No 1564/76 to the information at present available to the Commis-

sion that the levies at present in force should be altered as shown in the Annex to this Regulation,

HAS ADOPTED THIS REGULATION :

Article 1

The levies referred to in Article 15 (1) of Regulation (EEC) No 3330/74 are, in respect of white sugar and standard quality raw sugar, hereby fixed as shown in the Annex to this Regulation.

Article 2

This Regulation shall enter into force on 19 February 1977.

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

Done at Brussels, 18 February 1977.

For the Commission

Finn GUNDELACH

Vice-President

⁽¹⁾ OJ No L 359, 31. 12. 1974, p. 1.

⁽²⁾ OJ No L 354, 24. 12. 1976, p. 1.

⁽³⁾ OJ No L 172, 1. 7. 1976, p. 31.

⁽⁴⁾ OJ No L 46, 18. 2. 1977, p. 14.

ANNEX

to the Commission Regulation of 18 February 1977 fixing the import levies on white sugar and raw sugar

<i>(n.u./100 kg)</i>		
CCT heading No	Description of goods	Levy
17.01	Beet sugar and cane sugar, solid :	
	A. White sugar	20.06
	B. Raw sugar	17.29 ⁽¹⁾

⁽¹⁾ Applicable to raw sugar with a yield of 92 % ; if the yield is other than 92 %, the levy applicable is calculated in accordance with the provisions of Article 2 of Regulation (EEC) No 837/68.

COUNCIL REGULATION (EEC) No 350/77**of 18 February 1977****laying down certain interim measures for the conservation and management of fishery resources**

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community, and in particular Article 103 thereof,

Having regard to the Act of Accession, and in particular Article 102 thereof,

Having regard to the proposal from the Commission,

Whereas a Community system for the conservation and management of fishery resources has not yet been laid down ;

Whereas Member States apply conservation measures in the fishing zones off their North Sea and North Atlantic coasts pursuant, in particular, to international commitments ;

Whereas in view of the precarious situation of some stocks it is important that certain particularly urgent measures should be taken in the immediate future in order to protect, in the said zones, marine resources and potential catches for future years, without prejudice to the adoption of such other measures as may prove necessary ;

Whereas special provisions should be made with regard to certain operations at sea in order to facilitate the supervision of conservation measures ;

Whereas pending the establishment of a Community regime for the conservation and management of resources, and notwithstanding the provisions of the present Regulation, Member States may, in accordance with the procedure and conditions set out in Annex VI to the Council resolution of 3 November 1976, adopt, in a form which avoids discrimination, appropriate further measures to ensure the protection of resources situated in the fishing zones off their coasts ;

Whereas, however, Member States shall not adopt such further measures in the fields covered by the present Regulation so long as the specific measures introduced under the present Regulation are in force in the fishing zones off their coasts ;

Whereas the measures in question must be taken without delay in view of the danger which the current

over-exploitation of fishery resources holds for Community supplies of certain species ; whereas, as an interim step, such measures should be laid down forthwith on the basis of Article 103 of the Treaty, subject to their being included at a later date in the common agricultural policy,

HAS ADOPTED THIS REGULATION :

Article 1

1. Fishing for North Sea herring shall be prohibited from 28 February 1977 until 30 April 1977 in sub-area IV and division VII-d defined by the International Council for the Exploration of the Sea.

2. The Council, acting by a qualified majority on a proposal from the Commission, shall adopt, before 1 May 1977, the measures to be applied for the remainder of 1977. In determining these measures, account shall be taken of the results of the latest available scientific estimates of the North Sea herring stock for 1977.

3. The Member States shall be authorized to catch North Sea herring as by-catches in the course of direct fishing for other species, up to a limit of 10 % by weight of catches of sprat and 5 % by weight of catches of Norway pout and of sand eels during each voyage.

The permitted by-catches calculated on an annual basis, may not however, exceed 15 000 tonnes for Denmark, 1 650 tonnes for the United Kingdom, 410 tonnes for the Federal Republic of Germany and 275 tonnes for the other Member States.

Article 2

Fishing for herring in the Celtic Sea shall be prohibited from 1 March 1977 until 31 December 1977 in divisions VII g-h as defined by the International Council for the Exploration of the Sea, plus the zone delimited :

- to the north by 52° 30' latitude North,
- to the south by 52° 00' latitude North,
- to the west by the Irish coast,
- to the east by the coast of the United Kingdom.

Article 3

The Council, acting by a qualified majority on a proposal from the Commission, shall adopt provisions concerning the compulsory use, when fishing for certain species, of nets of larger mesh sizes than those permitted in the Member States at the time when this Regulation enters into force, and provisions concerning the carrying of nets of different mesh sizes on board.

Article 4

The use of vessels which carry out processing operations additional to salting, boiling of shrimps, filleting, freezing, reducing offal and reducing unavoidable by-catches subject to the permitted maximum shall be prohibited within the maritime waters under the Member States' sovereignty or jurisdiction, and covered by Community rules on fisheries.

Article 5

1. Fishing for Norway pout shall be prohibited from 21 February 1977 to 31 March 1977 in that part of the North Sea delimited by a line joining the following points:

- east coast of the United Kingdom at 56° 00' latitude North,
- 56° 00' latitude North — 00° 00' longitude,
- 60° 00' latitude North — 00° 00' longitude,
- 60° 00' latitude North — 04° 00' longitude West,
- coast of the United Kingdom at 04° 00' longitude West.

2. The Council, acting by a qualified majority on a proposal from the Commission, shall lay down, before 1 August 1977, measures to be applied from that date.

These measures shall be determined taking account of the results of the latest available scientific evidence.

Article 6

1. The percentage of by-catches of demersal species authorized in fishing for industrial purposes by the laws or regulations of the Member States adopted in accordance with the North-East Atlantic Fisheries Commission Recommendation No 5 is reduced from 25 to 20 % as from 1 April 1977.

2. The Council, acting by a qualified majority on a proposal from the Commission, shall adopt before 1 August 1977 further measures with regard to the percentage of authorized by-catches referred to in paragraph 1.

Article 7

Member States shall take, as far as is possible, all necessary steps to ensure compliance with the provisions of this Regulation within the maritime waters under their sovereignty or jurisdiction, and covered by Community rules on fisheries.

The checks carried out by the Member States shall be reported at regular intervals to the Commission.

In each case they shall mention the type and the nationality of the vessel, any infringements recorded and measures taken as a result.

Article 8

This Regulation shall enter into force on 21 February 1977.

It shall apply until the entry into force of the Community regime for the conservation and management of fishery resources or, at the latest, until 31 December 1977.

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

Done at Brussels, 18 February 1977.

For the Council

The President

J. SILKIN

II

(Acts whose publication is not obligatory)

COUNCIL

COUNCIL DIRECTIVE

of 14 February 1977

amending the first Directive on the establishment of common rules for certain types of carriage of goods by road between the Member States

(77/158/EEC)

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community, and in particular Article 75 (1) thereof,

Having regard to the proposal from the Commission,

Having regard to the opinion of the European Parliament ⁽¹⁾,

Having regard to the opinion of the Economic and Social Committee ⁽²⁾,

Whereas the scope of the first Council Directive of 23 July 1962 on the establishment of common rules for certain types of carriage of goods by road between Member States ⁽³⁾, as last amended by Directive 74/149/EEC ⁽⁴⁾, should be extended to cover the carriage of all live animals where special vehicles are used,

HAS ADOPTED THIS DIRECTIVE :

Article 1

Item 7 of Annex II to the first Directive of 23 July 1962 shall be replaced by the following :

'Carriage of live animals where special vehicles ^(*) are used.'

The footnote relating to Item 7 shall read as follows :

^(*) Special vehicles for the carriage of live animals shall be understood to mean vehicles which have been constructed or had permanent alterations made specially for the carriage of live animals and are recognized as such by the relevant authorities in the Member States.'

Article 2

Member States shall take the measures necessary to comply with this Directive as soon as possible and in any case not later than 1 July 1977. They shall inform the Commission thereof before 1 May 1977.

Article 3

This Directive is addressed to the Member States.

Done at Brussels, 14 February 1977.

For the Council

The President

J. SILKIN

⁽¹⁾ OJ No C 293, 13. 12. 1976, p. 50.

⁽²⁾ OJ No C 281, 27. 11. 1976, p. 2.

⁽³⁾ OJ No 70, 6. 8. 1962, p. 2005/62.

⁽⁴⁾ OJ No L 84, 28. 3. 1974, p. 8.

COUNCIL DIRECTIVE**of 14 February 1977****amending Directive 76/625/EEC concerning the statistical surveys to be carried out by the Member States in order to determine the production potential of plantations of certain species of fruit trees**

(77/159/EEC)

THE COUNCIL OF THE EUROPEAN
COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community, and in particular Article 43 thereof,

Having regard to the proposal from the Commission,

Having regard to the opinion of the European Parliament ⁽¹⁾,

Whereas, in accordance with Article 8 of Council Directive 76/625/EEC of 20 July 1976 concerning the statistical surveys to be carried out by the Member States in order to determine the production potential of plantations of certain species of fruit trees ⁽²⁾, the Commission shall submit to the Council, within one year after notification of the results, a report on experience acquired during the first survey and subsequently annual reports on the subject of Articles 5 and 6;

Whereas it is useful for these reports to be submitted also to the European Parliament for information;

Whereas it is therefore necessary to amend Directive 76/625/EEC accordingly,

HAS ADOPTED THIS DIRECTIVE:

Article 1

The first paragraph of Article 8 of Directive 76/625/EEC shall be replaced by the following text:

'The Commission shall submit to the European Parliament and the Council, within one year after notification of the results by Member States, a report on experience acquired during the first survey in the enlarged Community; the Commission shall also submit to them from 1 January 1977 annual reports on the subject of Articles 5 and 6.'

Article 2

This Directive is addressed to the Member States.

Done at Brussels, 14 February 1977.

For the Council

The President

J. SILKIN

⁽¹⁾ Opinion delivered on 11 February 1977 (not yet published in the Official Journal).

⁽²⁾ OJ No L 218, 11. 8. 1976, p. 10.

COMMISSION

COMMISSION DECISION

of 20 January 1977

relating to a proceeding under Article 85 of the EEC Treaty

(IV/27.442 — Vacuum Interrupters Ltd)

(Only the English text is authentic)

(77/160/EEC)

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community, and in particular Article 85 thereof,

Having regard to Council Regulation No 17 of 6 February 1962⁽¹⁾, and in particular Articles 6 and 8 thereof,

Having regard to the notification to the Commission made on 28 June 1973 by Albert Zirk, the Secretary of Vacuum Interrupters Ltd, London, of an agreement dated 25 March 1970 whereby Associated Electrical Industries Ltd and Reyrolle Parsons Ltd succeeded to the interests of the English Electric Co. Ltd, and A. Reyrolle and Co. Ltd in a company then named Vacuum Interrupters (1968) Ltd which name was later changed to Vacuum Interrupters Ltd,

Having regard to the fact that the said notification sought negative clearance for the said agreement in relation to Article 85 (1) of the EEC Treaty and was accompanied by an application in the alternative for exemption under Article 85 (3),

Having regard to the publication of the summary of the notification in *Official Journal of the European Communities* No C 180 of 4 August 1976 pursuant to Article 19 (3) of the said Regulation No 17,

Having regard to the opinion of the Advisory Committee on Restrictive Practices and Dominant Positions dated 19 October 1976 and delivered in accordance with Article 10 of the said Regulation No 17,

WHEREAS:

I. THE FACTS

1. The agreement notified to the Commission on 28 June 1973 was entered into on 25 March 1970 by Associated Electrical Industries Ltd of the first part, Reyrolle Parsons Ltd of the second part and Vacuum Interrupters (1968) Ltd of the third part. It recited *inter alia* that The English Electric Co. Ltd of the one part and A. Reyrolle and Co. Ltd of the other part had, by an agreement of 15 February 1968, agreed to the formation of a company called Vacuum Interrupters Ltd and to their collaboration together and with Vacuum Interrupters Ltd in the development of vacuum interrupters. Subsequent to the agreement of 1968, and prior to that of 1970, Vacuum Interrupters Ltd changed its name to Vacuum Interrupters (1968) Ltd, and Associated Electrical Industries Ltd and The English Electric Co. Ltd became associated companies, both having become subsidiary companies of The General Electric and English Electric Companies Ltd. The name 'The General Electric and English Electric Companies Ltd' was later changed to 'The General Electric Co. Ltd'. Also subsequent to the agreement of 1968, and prior to that of 1970, A. Reyrolle and Co. Ltd became Reyrolle Parsons Ltd at the time it acquired on 1 January 1969 the whole of the assets and undertaking of C. A. Parsons and Co. Ltd.

2. Associated Electrical Industries is now a wholly owned subsidiary company of The General Electric Co. Ltd.

3. The company 'Vacuum Interrupters Ltd' was incorporated prior to 17 November 1972, and an agreement of that date made between Associated Electrical Industries Ltd, Reyrolle Parsons Ltd, and Vacuum Interrupters Ltd provided *inter alia* that (i) 'Vacuum Interrupters (1968) Ltd' should be liquidated and (ii) Vacuum Interrupters Ltd had become bound by the agreement of 25 March 1970 by adoption thereof.

⁽¹⁾ OJ No 13, 21. 2. 1962, p. 204/62.

4. Both Associated Electrical Industries Ltd and Reyrolle Parsons Ltd produce a great variety of heavy electrical equipment, including switchgear apparatus, independently of and in competition with each other. Associated Electrical Industries Ltd became a subsidiary of The General Electric Co. Ltd on 4 December 1967.

The General Electric Co. Ltd has informed the Commission of:

- (i) three technical collaboration agreements subsisting between them and/or their associated companies and Reyrolle Parsons, each of which were entered into prior to 4 December 1967; as well as
- (ii) two other agreements in each of which they both are associated with other companies — one in the field of transformers (dated 1972) and the other (dated 1969) concerning a minority holding in a cable manufacturing company in the Caribbean area. These contractual relationships between The General Electric Co. Ltd and its subsidiary Associated Electrical Industries Ltd and Reyrolle Parsons Ltd demonstrate that the field of cooperation between the undertakings has not expanded parallel with the initiation and continuation of their joint interest in Vacuum Interrupters Ltd, and therefore the potential for competition between them has not been reduced.

5. Switchgear apparatus has two functions to perform, namely:

- (i) to switch on and off the power flowing from generating stations along transmission lines carrying high voltage electric power whether for rural, urban, or industrial users; and
- (ii) to act as a safety device in the event of a fault in the distribution system.

6. The principal item of equipment in switchgear apparatus is a 'circuit breaker' which performs the cutting off of power and is required to act automatically and very quickly in the event that a fault occurs in the system. It must be able to cut off the flow of current in about one twenty-fifth of a second in order to prevent damage to generating equipment, motors, and other apparatus connected within the system. The duty performed by the circuit breaker when a fault is detected in a high powered transmission line is extremely arduous and requires a most sophisticated piece of equipment. The interruption of heavy currents produces high powered arcs which have conventionally been interrupted in oil, compressed air, or inert gases. The development of the vacuum type interrupter has proceeded in order to take advantage of the fact that an arc cannot be sustained in a vacuum, a phenomenon which produces an extremely rapid arc extinction and a number of residual advantages such as a decreased risk of fire and the durability of working parts.

7. Both Associated Electrical Industries Ltd and Reyrolle Parsons Ltd design, manufacture and sell independently of each other switchgear apparatus for all voltages up to the maximum level for use in both indoor and outdoor sub-stations. Vacuum Interrupters Ltd develops, designs, manufactures and sells vacuum interrupters for incorporation into switches and circuit breakers used within individual units of switchgear apparatus.

8. The development of this type of interrupter has been slow. While the basic principles have been known for many years, the actual construction and operation was known to present problems of the most complex and difficult technical nature. Thus there was the question of (a) maintaining a vacuum (b) maintaining the electrical isolation in spite of the metal vapour created by the arc (c) avoiding excessive wear on contacts (d) avoiding current 'chopping' and (e) avoiding the situation where contact surfaces would weld together — which can happen rather easily when two smooth and highly cleaned surfaces are pressed together in a vacuum and are heated by the actual electric current.

These several problems have been solved in theory during the past 20 years, and many patents have been taken out in respect of them, both in the United States and the United Kingdom, some of which have now expired.

9. It had been known for many years in the United Kingdom that research into vacuum interrupters was proceeding in the United States mainly by the General Electric and Westinghouse Companies, although Jennings Radio and Allis-Chalmers were also believed to be interested and active.

10. However, research into vacuum interrupters did not start seriously in the United Kingdom until about 10 years ago when Associated Electrical Industries Ltd, A. Reyrolle and Co. Ltd and The English Electric Co. Ltd all separately commenced technical investigation and work. Each of the companies found the cost of development was very substantial and each recognized that if vacuum interrupters were to be brought to commercial use at a price which would make them competitive with the conventional forms of switchgear, a collaboration and pooling of the resources available was essential in order that the heavy expenditure involved by the individual companies would be reduced. It was in this circumstance that the idea of establishing a joint facility for research and development arose, and The English Electric Co. Ltd and A. Reyrolle and Co. Ltd agreed in 1968 to form the company Vacuum Interrupters Ltd. The arrangement between Associated Electrical Industries Ltd and Reyrolle Parsons Ltd was entered into by the new agreement of 25 March 1970 which they signed with Vacuum Interrupters Ltd. This agreement is the

subject of the notification of 28 June 1973, together with certain amending agreements subsidiary thereto of 17 November 1972 and two separate ones of 24 November 1972, the contents of which amending agreements are not other than as mentioned material to this Decision. It must however be noted that Vacuum Interrupters (1968) Ltd was, subsequent to the agreement of 1970, wound up and the present company, Vacuum Interrupters Ltd, incorporated, and it accepted by adoption the terms of the agreement of 25 March 1970 as mentioned in paragraph 3 hereof.

11. The notified agreement of 25 March 1970 contains *inter alia* the following terms:

- (a) Associated Electrical Industries Ltd (referred to as 'AEI' in this paragraph) are to hold 60 % and Reyrolle Parsons Ltd (referred to as 'RP' in this paragraph) 40 % of the share capital of Vacuum Interrupters Ltd (referred to as 'VIL' in this paragraph).
- (b) AEI and RP agree that VIL will continue to carry on the business of developing, designing, manufacturing and selling vacuum interrupters as defined in the agreement and also agree that VIL will not carry on any other business without the written consent of both AEI and RP.
- (c) AEI have the right to nominate four directors of VIL, of whom one would be chairman, and RP have the right to nominate three directors, of whom one would be deputy chairman.
- (d) Both AEI and RP agree that neither party should assign the benefit of the agreement to which they each are separately entitled unless certain conditions therein specified have been previously fulfilled by each of them.
- (e) AEI and RP agreed that so long as the agreement was subsisting neither of them would (and in addition they would make reasonable efforts to ensure that their associated companies did not) develop, design, manufacture or sell vacuum interrupters as part of or for major electrical equipment manufactured and sold by either of them and that they would make all reasonable efforts to see that they and their subsidiary companies would purchase all their requirements of vacuum interrupters from VIL, provided it was and continued to be willing and able to sell them on terms competitive as to price, specification, delivery dates, and otherwise, except when a customer insisted that the vacuum interrupters to be used must be supplied from another source.
- (f) AEI and RP agreed to make available to, and to use all reasonable efforts to procure for VIL (i) rights in patents and (ii) other technical information relating to vacuum interrupters which were or would be available to or under the control of AEI and RP or either of them during the continuance of the agreement.

- (g) AEI and RP undertook to procure VIL to undertake to keep in confidence and not to disclose to any outside party, or use, except in connection with a purpose connected with the business, any confidential information acquired by virtue of their association pursuant to the agreement.
- (h) The agreement was to continue in operation for a period of 10 years from the date of signing and thereafter from year to year until amended or terminated as provided in the agreement, with the exception of those provisions concerned with confidentiality, which would continue to remain in full force and effect for the time specified in the agreements.
- (i) It was also agreed that the agreement would be registered with the Registrar of Restrictive Trade Practices in England.
- (j) There are certain other provisions concerning the rights of AEI, RP and The General Electric and English Electric Companies Ltd (by which name The General Electric Co. Ltd was then known) to make available patents and information relating to vacuum interrupters to VIL, with reciprocal facilities from VIL, and dealing with other rights, including the rights granted to VIL by the original agreement of 1968, and reserving to themselves the right to grant licences to subsidiary concerns in Australia, South Africa, India, Pakistan and New Zealand and to other overseas companies in which they have an interest subject to the consent of VIL.

12. Vacuum Interrupters Ltd manufacture only vacuum interrupters, and not switchgear or circuit breaking apparatus in which the interrupter is to be incorporated. The design and specifications for such apparatus are prepared by the manufacturer who designs it specifically to accept the type of interrupter to be used — whether of the oil, liquid, inert gas, or vacuum variety. Where the vacuum type interrupter is to be used, the design and specifications are then given to Vacuum Interrupters Ltd, who will design and construct the actual vacuum interrupter for installation in the particular apparatus concerned. The vacuum type interrupter is not interchangeable with any other type of interrupter in that particular equipment. An interrupter itself is not used directly by or sold directly to the ultimate user of switchgear apparatus. It is sold only to the intermediate customer who is the manufacturer of the switchgear apparatus for which it has been designed and made. The relevant market for vacuum interrupters is consequently limited to those companies or undertakings which manufacture, fabricate, construct or adapt switchgear apparatus which is built around, adapted for, or incorporates the vacuum type interrupter.

13. The other main points which emerged from the investigation conducted by the services of the Commission following notification are as herein next set out.

(a) Circuit breakers for power systems cover a range of voltages, generally from 200 volts to 700 kilovolts (kV). Vacuum interrupters already developed by Vacuum Interrupters Limited have been installed in circuit breakers ranging from 3.3 to 132 kV, but the two types of vacuum interrupter on which production is at present concentrated are types named V5 and V8. These are of low voltage capability only, both being rated at 11 kV with short circuit currents of 26.2 and 13.1 kA respectively, and normal current ratings of up to 1 250 and 2 000 amps respectively. It is planned to increase the voltage rating of these interrupters.

(b) It appears that some £1.5 million has already been spent by firms in the United Kingdom in research on and development of the vacuum interrupter. The predecessor of the present Vacuum Interrupters Ltd invested about £ 500 000 on research and development. The present company had, in the four years ending 31 March 1974, expended £1 million in research, development, production, manufacture and sale, and administration costs. The vacuum interrupter is not yet being produced in commercial quantities by the company, but it is hoped within the next few years to increase the capacity which this type of interrupter will be capable of handling, and also to increase the production capacity of the plant so that a wider range of efficient interrupters of this type can be marketed on a viable commercial basis. The present types available for sale are sold at about £150 each, an amount which does not include any sum in respect of the cost of development. The turnover of the company in each of the four years ending 1974 was :

1970/71 :	£ 27 050,
1971/72 :	£ 32 220,
1972/73 :	£ 48 314,
1973/74 :	£ 47 235.

(c) Vacuum type interrupters are now being manufactured in the United Kingdom, the United States, and Japan. The manufacturers are :

United States :

The General Electric Co.
Westinghouse Electric Co.
McGraw Edison
Jennings Radio
Allis-Chalmers
ITE — Imperial Corporation

Japan :

Mitsubishi
Toshiba
Miedensha
Toyo Denki
Hitachi

United Kingdom :

Vacuum Interrupters Ltd.

(d) There is no real vacuum interrupter market yet in the Member States of the EEC because switchgear, incorporating Vacuum Interrupters Ltd type vacuum interrupters, is still in the development stage. The sales which have taken place to customers within the Member States have been apparently for experimental purposes only (seven vacuum interrupters to two separate customers in West Germany). The prospects for future sales are dependent on the successful development of this type of interrupter and, in particular, the increasing of the power capacity which they can handle. All the indications are that the development will be successful, and that exports to other countries within the EEC will expand. There has been a steady expansion in demand for the vacuum interrupter in both the United States and Japan and there is no reason to believe that a similar expansion will not occur when the manufacturers of switchgear within the EEC develop equipment to incorporate the vacuum interrupter.

(e) Associated Electrical Industries Ltd, through its principal The General Electric Co. Ltd, has many customers for switchgear apparatus in the United Kingdom and in the other Member States of the EEC. Reyrolle Parsons Ltd have not had customers for switchgear apparatus in any EEC Member State other than the United Kingdom. The business of both companies is mainly with large industrial undertakings in the United Kingdom and in particular with the Central Electricity Generating Board and other electricity boards, to which both are the main suppliers of switchgear equipment. The cost of the vacuum interrupter unit is a very minor part of the cost of switchgear.

14. Vacuum Interrupters Ltd submitted the notification of the agreement of 25 March 1970 and the amending agreements of 17 November 1972 and the two further agreements of 24 November 1972 on 28 June 1973. The Commission have considered the written and oral submissions of the parties and have investigated the matter, as a result of which it appeared that this was a case in which a favourable decision was probable. For this reason, a notice summarizing the facts and inviting comments from any interested third party was published on 4 August 1976 in the *Official Journal of the European Communities* pursuant to the provisions of Article 19 (3) of Regulation No 17. No comments or objections have been received from any third party following that publication.

II. APPLICABILITY OF ARTICLE 85 (1) OF THE TREATY

By virtue of the provision of Article 85 (1) of the Treaty, all agreements between undertakings and concerted practices which may affect trade between Member States and which have as their object or effect the prevention, restriction or distortion of competition within the common market are prohibited as incompatible with the common market.

A. Prevention, restriction or distortion of competition

15. Prior to the signing of the agreement of 25 March 1970 neither Associated Electrical Industries Ltd nor Reyrolle Parsons Ltd were manufacturing vacuum interrupters. However, their experience in the field of heavy electrical equipment and their ability to manufacture components therefor, the extent and quality of their research and development work, some of which was concentrated in the field of vacuum interrupters, their skill in producing electrical equipment generally and the natural growth of their activities in the field of manufacture of electrical equipment might well have led them to extend their range of products to include vacuum interrupters, thereby making them direct competitors in the relevant product market. They must therefore be assumed to be potential competitors and the agreement of 25 March 1970 to have been concluded between potentially competing manufacturers.

16. The object and effect of the agreement is to restrict competition within the common market. There is not at present even one manufacturer of components for electrical equipment within the area of the common market which makes and sells vacuum interrupters. When two companies, each of which is a potential manufacturer and which are each within the common market, merge their activity in the fields of research, development, manufacture and sale by establishing a joint venture concerned with this one product on such terms that they deprive themselves of the possibility of developing and selling that product independently of, and in competition with each other, there is a restriction of competition.

B. Effect on trade between Member States

17. Both Associated Electrical Industries Ltd and Reyrolle Parsons Ltd are major manufacturers of switchgear apparatus in the United Kingdom. It is reasonable to assume that if a market were to develop in the other Member States of the EEC for the vacuum interrupter and if both Associated Electrical Industries Ltd and/or their associated companies and

Reyrolle Parsons Ltd had developed and manufactured the vacuum type interrupter independently of each other, each should have been able to obtain a market for it in the other Member States, where they would have been in direct competition not only with each other but also with such other undertakings as might manufacture this type of interrupter. There could have developed an export trade between each of these undertakings in the United Kingdom and customers in other Member States in which each would have been in competition with the other and with local manufacturers. Exports from the UK to other Member States are now likely to start earlier and form a different pattern, thus affecting the flow of trade from the United Kingdom to other Member States. Further, both Associated Electrical Industries Ltd and Reyrolle Parsons Ltd have as customers in the United Kingdom the Central Electricity Generating Board and other area boards and most of the large industrial undertakings which take electricity from high voltage lines. The fact that two companies, each with an important market position in heavy electrical equipment in the United Kingdom, have combined their activity in the field of vacuum interrupters in a joint subsidiary must reduce the possibility that another manufacturer or other manufacturers of electrical equipment from other Member States of the EEC would be able to enter the United Kingdom for the purpose of manufacturing and selling or selling only the vacuum interrupter in competition with Vacuum Interrupters Ltd. It might well have been easier for such manufacturers to build up a market for the vacuum interrupter in the United Kingdom if they were not to be in competition with one economically and technically strong competitor but with two competitors, each separately economically and technically weaker. The market position of Vacuum Interrupters Ltd, having regard to that of the parent undertakings and of other manufacturers of switchgear equipment in the UK who are also in a position to sell switchgear equipment utilizing the interrupters designed and made by Vacuum Interrupters Ltd, would make it more difficult for new market entrants to capture a share of the market. The result therefore of the establishment of Vacuum Interrupters Ltd is that the economic penetration of the United Kingdom by manufacturers of electrical apparatus from the other Member States of the EEC will be rendered more difficult. Thus the effect of the restriction on competition arising from the creation of the joint subsidiary with which this Decision is concerned is that the potential competition between the parent companies to be offered from the United Kingdom to other Member States will be reduced, as will the potential for competition by companies from other Member States within the United Kingdom. Further, because there are no other manufacturers of vacuum interrupters in the common market at present and there are relatively few potential manufacturers therein, a joint venture between two potential manufacturers affects the structure of competition in the common market. Trade between Member States may thus be affected by the agreement of 25 March 1970.

18. The said agreement is, as set forth in paragraph 15 hereof, concluded between manufacturers who are potential competitors, and there is a restriction on competition as stated in paragraph 16 hereof, which, by virtue of the consequences set out in paragraph 17 hereof, may have an effect on trade between Member States. The said agreement, therefore, comes within the provisions of Article 85 (1) of the Treaty.

III. APPLICABILITY OF ARTICLE 85 (3) OF THE EEC TREATY

Under Article 85 (3), the provisions of Article 85 (1) may be declared inapplicable to the agreement if it contributes to improving the production or distribution of goods or to promoting technical or economic progress while allowing consumers a fair share of the resulting benefit, and does not :

- (a) impose on the undertakings concerned restrictions which are not indispensable to the attainment of these objectives ;
- (b) afford such undertakings the possibility of eliminating competition in respect of a substantial part of the products in question.

19. The Commission is satisfied that at the time The English Electric Co. Ltd and A. Reyrolle and Co. Ltd established the joint venture in 1968 each of them believed that the liquid and air types of interrupter then in use were the only types of interrupter that would continue to be a viable commercial proposition — at least in the short- to medium-term period. Both knew the potential advantages of the vacuum type interrupter as compared with the liquid and air types. Nonetheless the amount of risk capital which would have to be invested in order to develop the vacuum type, when taken together with the technical skills which would have to be devoted to it to the exclusion of work on other more profitable projects and the possible length of time that would have to elapse before the development could reach a stage where a commercially viable production might result was such that each company ceased its independent research and development. They then created the joint venture, in which each had a smaller monetary investment than if they had continued on their own and for which each undertaking was able to provide some technicians, thereby sharing their technical skills with

less serious consequences on the other work in which the respective companies were engaged. Research and development of the vacuum interrupter by Vacuum Interrupters Ltd has, as anticipated, been slow but it is now making steady progress and the Commission considers that the history of the joint venture since its original establishment in 1968 shows that its parent companies were justified in coming to the conclusion that neither company should on its own have continued to invest money and technical skill in the development of the vacuum interrupter.

20. As a result, Vacuum Interrupters Ltd has now designed, developed and is able to manufacture two different models of the vacuum interrupter, each of fairly low capacity, which it is hoped will be increased in the foreseeable future. The present day cost of each completed unit to the purchaser is about £150, a figure which does not include any sum in respect of research or development costs. By virtue then of the investment in Vacuum Interrupters Ltd, the consumer is being given a durable and efficient low power interrupter at a reasonable cost, which thus secures to him a fair share of the benefit from the joint venture. The fact that the development of this type of interrupter is continuing means that the market in which it will be possible to sell should expand by enabling designers of switchgear apparatus to anticipate the possibility of using the vacuum type interrupter in apparatus of higher capacity than at present. This will result in their designing more apparatus using the vacuum interrupter, which should increase demand for the product and in turn contribute to the improvement of production and distribution of the goods. Further, by continuing research, Vacuum Interrupters Ltd is promoting technical and economic progress.

21. Vacuum Interrupters Ltd are free to sell vacuum interrupters to any switchgear manufacturer anywhere to his specifications. When they manufacture for either AEI or RP the designs and specifications to which they work for either company are kept secret from the other. The orders are placed and handled independently. The company is consequently able to concentrate the work it does in the field in which it was intended, namely the production of this component for switchgear apparatus, and it does not extend the area of its activity into any related fields which would give rise to more cooperation and to an unnecessary restriction of competition.

22. Having regard to the contents of the notification and the annexes submitted therewith, the evidence available and the results of the enquiries and investigations carried out, the Commission in this case accepts the submissions of Vacuum Interrupters Ltd in support of their claim for exemption under Article 85 (3), which are hereinafter set out:

- (1) The availability of vacuum interrupters enables switchgear manufacturers to design, develop and manufacture electric circuit breakers which have technical advantages over existing air and liquid apparatus.
- (2) The agreement makes provision for the financial resources and technical support necessary to enable the research and development of vacuum interrupters to be carried out in depth.
- (3) The users of switchgear incorporating vacuum interrupters receive benefits therefrom.
- (4) The agreement enables the vacuum type interrupter to be developed, manufactured, and sold to consumers within the EEC on a competitive basis with those which will be available for import into the EEC from the United States and Japan when a market for the vacuum interrupter is established within the Member States of the EEC.
- (5) The technical and financial effort required to produce the vacuum interrupter as a commercially viable product within a useful period of time would not have been achieved if both of the parties had relied solely on their own resources.

23. The agreements do not contain any restrictions which are not indispensable to the attainment of their objectives. The principal agreement provides that the parties would make 'reasonable efforts' to ensure that their associated companies did not develop, design, manufacture and sell vacuum interrupters, and also to see that their subsidiary companies would not purchase their requirements of vacuum interrupters from other manufacturers of vacuum interrupters. However, should a customer of either parent company or a subsidiary company specify that a vacuum interrupter made by some other manufacturer was to be included in electrical equipment ordered, such specific request is to be complied with. The restriction that neither of the parent companies would develop, design, manufacture, or sell vacuum interrupters on their own is considered by the Commission to be indispensable by virtue of the nature of the agreements under consideration.

24. All the requirements of Article 85 (3) are therefore satisfied.

25. The agreement in question has been in operation since 25 March 1970.

26. It is intended to grant an exemption for the period 1 January 1973 to 25 March 1980. The period of commencement is determined in accordance with the provisions of Article 25 of Regulation No 17, the applicant having lodged the notification on 28 June 1973, thereby coming within the six-month period required in order to obtain the benefit of that Article. It is intended to make it an obligation of the exemption that the Commission be notified of:

- (i) any changes in the share structure and ownership of shares in Vacuum Interrupters Ltd during the period of exemption, and
- (ii) that the Commission be notified of any authorization given by Associated Electrical Industries Ltd and Reyrolle Parsons Ltd authorizing Vacuum Interrupters Ltd to 'carry on any other business' with full particulars of such authorization.

The Commission, for these reasons,

HAS ADOPTED THIS DECISION:

Article 1

The provisions of Article 85 (1) of the Treaty establishing the European Economic Community are, pursuant to Article 85 (3), declared inapplicable to the terms of the agreement of 25 March 1970 made between Associated Electrical Industries Ltd, Reyrolle Parsons Ltd and Vacuum Interrupters Ltd.

Article 2

Vacuum Interrupters Ltd is required to notify the Commission of any changes during the period of exemption in its share capital and/or the ownership of its shares within 28 days of such becoming effective.

Article 3

Vacuum Interrupters Ltd is required to notify the Commission of any authorization given by Associated Electrical Industries Ltd and Reyrolle Parsons Ltd during the period of exemption authorizing the undertaking to 'carry on any other business' with full particulars of such authorization within 28 days of such authorization being given.

(¹) OJ No 13, 21. 2. 1962, p. 204/62.

Article 4

This Decision shall have effect from 1 January 1973 and shall apply until 25 March 1980.

This Decision is addressed to :

1. Vacuum Interrupters Ltd, 68 Ballards Lane, Finchley, London, England ;
2. Associated Electrical Industries Ltd, 1 Stanhope Gate, London W1, England ;

3. Reyrolle Parsons Ltd, Hebburn, County Durham, England.

Done at Brussels, 20 January 1977.

For the Commission

R. VOUEL

Member of the Commission
