COUNCIL REGULATION (EEC) No 3774/85

of 20 December 1985

concerning certain national aids in the agricultural sector which are incompatible with the common market but which the Portuguese Republic is authorized to maintain on a transitional basis

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Act of Accession of Spain and Portugal, and in particular Articles 247 and 258 thereof,

Having regard to the proposal from the Commission,

Whereas, under Article 247 of the Act of Accession, the Portuguese Republic is authorized to maintain, on a transitional and, in principle, degressive basis, national aids the abolition of which would not fail to have serious consequences both for producer and consumer prices; whereas a list and the exact wording of the national aids which fulfil these conditions appear in the Annex, together with their initial amounts;

Whereas, with respect to the rate of abolition and any scale of degressivity which should be fixed, it appears appropriate either that the initial amount should be considered as maximum rates for a first period and that, over a second period, these amounts should be reduced in equal annual instalments, to be phased out completely at the end of the transitional period, or that the initial amounts should be phased out in ten equal annual instalments;

Whereas, until 31 December 1990, national aid granted by the Portuguese Republic for products which, pursuant to Article 259 of the Act of Accession, are subject to a transition by stages, are subject to the special arrangements laid down in Article 265 (2) of that Act; whereas, pursuant to Article 286 thereof, Article 247 applies to these products only as from 1 January 1991;

Whereas the Portuguese Republic may abolish the aids which are the subject of these transitional measures at a more rapid rate than that set out in the Annex; whereas it is essential that, in this event, the Portuguese Republic should inform the Commission of action taken; whereas a procedure should be specified whereby other derogations may be made, should the need arise, from the degressivity scale, pursuant to Article 247 (3) of the Act of Accession;

Whereas steps should be taken to ensure that national aid for the consumption of olive oil does not create distortions as between products of different qualities, that it does not provide a benefit, in addition to the export refund, for any quantities exported and that it is only granted after the date on which a similar Community aid becomes applicable, up to the difference between the latter aid and the maximum amount fixed for the national aid;

Whereas, pursuant to Article 247 (2) of the Act of Accession, equal access to the Portuguese market must be ensured; whereas this Regulation should therefore be without prejudice to the adoption at a later date, should the need arise, of specific procedures designed to ensure equality of access on the Portuguese market for products imported from other Member States if the grant of one or more of the aids referred to in this Regulation entails an actual modification on the Portuguese market of the conditions of competition between imported and domestic products;

Whereas, pursuant to Article 2 (3) of the Treaty of Accession of Spain and Portugal, the institutions of the Community may adopt before accession the measures referred to in Article 258 of the Act of Accession, these measures entering into force only subject to, and on the date of, the entry into force of that Treaty,

HAS ADOPTED THIS REGULATION:

Article 1

The national aids which are incompatible with the common market and which the Portuguese Republic is authorized to maintain on a transitional basis are listed in the Annex, with an indication of their rate of abolition.

Article 2

The Portuguese Republic may abolish the aids referred to in Article 1 at a more rapid rate than that set out in the Annex. It shall inform the Commission without delay of any action it has taken.

Article 3

The grant of aid for the consumption of olive oil shall be subject to the following further conditions:

(a) it shall be granted, without distinction on grounds of quality, for all olive oil receiving Community aid for the consumption of olive oil within the Community as constituted on 31 December 1985;

(b) the Portuguese Republic shall take whatever action is necessary to ensure that the aid does not benefit quantities exported to another Member State or to third countries;

(c) from 1 January 1991, the maximum amount of aid shall be reduced by the amount of Community aid for the consumption of olive oil applied in accordance with the second subparagraph of Article 293 (1) of the Act of Accession. The national aid shall be abolished if the

Community aid is equal to or greater than the maximum amount fixed for national aid.

The Portuguese Republic shall inform the Commission of any action taken to ensure that these conditions are met.

Article 4

Where the grant of one or more of the aids listed in the Annex entails an actual modification on the Portuguese market of the conditions of competition between domestic products and products imported from the other Member States, the Council shall, in accordance with the procedure laid down in Article 234 (2) of the Act of Accession, adopt the specific procedures required to ensure equality of access on the Portuguese market.

Article 5

Detailed rules for the application of this Regulation together with the possible derogations referred to in Article 247 (3) of the Act of Accession shall be adopted in accordance with the procedure laid down in Article 38 of Regulation No 136/66/EEC of the Council of 22 September 1966 on the establishment of a common organization of the market in oils and fats [1] or, as the case may be, in the corresponding Articles of the other Regulations on the common organization of agricultural markets.

Article 6

This Regulation shall enter into force on 1 January 1986, subject to the entry into force of the Treaty of Accession of Spain and Portugal.

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

Done at Brussels, 20 December 1985.

For the Council

The President

R. STEICHEN

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

ANNEX

Description of aid	Initial amount of aid = maximum amount during the period up to the date of the first reduction	Rate of reduction of aid, applicable on 1 January for the following years, as a percentage of the initial amount									
		1987	1988	1989	1990	1991	1992	1993	1994	1995	1996
I. Sugar											
1. Aid granted in the Azores for transporting sugar-beet from the place of production to factory	2,38 ECU/tonne/km	—	—	—	—	10	20	40	60	80	100
2. Aid for the consumption of sugar in the Azores	0,2124 ECU/kg	—	—	—	—	10	20	40	60	80	100
II. Vegetable oils											
1. Aid for the safflower seed crushing industry	29,80 ECU/tonne	—	—	—	—	—	20	40	60	80	100
2. Aid for the consumption of olive oil	0,1490 ECU/litre	10	20	30	40	50	60	70	80	90	100
III. Seeds											
1. Aid for the purchase of hybrid maize seeds	— 0,1118 ECU/kg for mainland Portugal	—	—	—	—	—	20	40	60	80	100
	— 0,4471 ECU/kg for the Azores	—	—	—	—	—	20	40	60	80	100
2. Aid for the purchase of imported potato seeds for propagation	0,2270 ECU/kg	10	20	30	40	50	60	70	80	90	100