COMMISSION REGULATION (EC) No 1055/98

of 20 May 1998

amending Regulation (EC) No 2020/97 introducing preventive distillation as provided for in Article 38 of Council Regulation (EEC) No 822/87 for the 1997/98 wine year

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Community,

Having regard to Council Regulation (EEC) No 822/87 of 16 March 1987 on the common organisation of the market in wine [1], as last amended by Regulation (EC) No 2087/97 [2], and in particular Article 38(5) thereof,

Whereas Commission Regulation (EC) No 2020/97 [3] introduces preventive distillation as provided for in Article 38 of Regulation (EEC) No 822/87; whereas Article 1(4) of that Regulation allows the Member States to approve contracts or declarations as soon as they are submitted, for a quantity not exceeding half of the quantity specified in each contract or declaration;

Whereas under Article 8(1) of Council Regulation (EEC) No 2046/89 [4], as last amended by Regulation (EC) No 2468/96 [5], distillers may apply for an advance payment equal to the amount of the aid provided they have lodged a security; whereas the possibility of distilling not more than half the total quantity of wine specified in contracts and declarations immediately after approval as referred to in Article 1(4) of Regulation (EC) No 2020/97, introduced to speed up preventive distillation for the current wine year, may engender financial difficulties for distillers, who are unable to reclaim the security until the contracts have been fully performed; whereas, therefore, the provision introduced to facilitate preventive distillation could jeopardise the proper functioning of distillation operations because the money for the security, which would normally be released on performance of a contract and which could then be used to perform other contracts, can be tied up throughout the period of performance of the contracts, thereby requiring distillers to invest considerably larger sums; whereas this situation should be remedied by separating the parts of the contracts and declarations approved under Articles 1(4) and 1(6) of Regulation (EC) No 2020/97, respectively, with a view to applying the provisions on the advance of the aid and the security;

Whereas the distillation contracts or declarations had to be signed by 29 January 1998 at the latest;

Whereas the preventive distillation as introduced, while having significant results, has nevertheless missed some wines that are unsuitable for the market and which adversely affect it; whereas, under the circumstances, these wines should be withdrawn from the market by reintroducing preventive distillation for a limited volume restricted to table wine with a view to improving in this manner the quality of the wines that should remain on the market; whereas distillation should be reintroduced only in those regions which have not distilled the quality allocated to them;

Whereas, in the interests of efficiency, preventive distillation should be reintroduced only for wine producers who have already signed distillation contracts or declarations; whereas in addition, in certain regions distillation should be reintroduced only for wine producers who have signed such contracts for a substantial part of the maximum quantity provided for in Article 1(1) of Regulation (EC) No 2020/97 and who wish to distil additional quantities;

Whereas, where the overall quantity applied for by region exceeds the quantities provided for, the Member States must apply a single rate of reduction for all new contracts submitted;

Whereas, with a view to the sound management of the quantities in question, it is necessary to derogate from certain provisions of Commission Regulation (EEC) No 2721/88 of 31 August 1998 laying down detailed rules for voluntary distillation as provided for in Articles 38, 41 and 42 of Regulation (EEC) No 822/87 [6], as last amended by Regulation (EEC) No 2181/91 [7], and to provide that the quantities applied for in the contracts and declarations may be reduced;

Whereas, to improve the effectiveness of the measure, distillation should take place over a short time scale, and the Member States should be permitted to impose more restrictive measures, in particular the introduction of a security to accompany the submission of the contract or declaration;

[1] OJ L 84, 27. 3. 1987, p. 1.
[2] OJ L 292, 25. 10. 1997, p. 1.
[3] OJ L 284, 16. 10. 1997, p. 39.
[4] OJ L 202, 14. 7. 1989, p. 14.
[5] OJ L 335, 24. 12. 1996, p. 7.
[6] OJ L 241, 1. 9. 1988, p. 88.
[7] OJ L 202, 25. 7. 1991, p. 16.

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

HAS ADOPTED THIS REGULATION:

Article 1

Regulation (EC) No 2020/97 is amended as follows:

1. The following paragraph is added to Article 1:

'10. For the purposes of applying Article 8 of Council Regulation (EEC) No 2046/89 (*) and Article 9(2) of Regulation (EEC) No 2721/88, Member States may decide that the two partial approvals of contracts and declarations referred to, respectively, in Article 1(4) and Article 1(6) of this Regulation are to be treated as separate contracts and declarations.

(*) OJ L 202, 14.7.1989, p. 14'.

2. The following Article is inserted after Article 1:

'Article 1a

1. Preventive distillation of table wine and wine suitable for yielding table wine as referred to in Article 38 of Regulation (EEC) No 822/87 is hereby reintroduced for the 1997/98 wine year in those regions which have not distilled the full volume allocated to them.

The quantity of table wine or wine suitable for yielding table wine that the producers can have distilled in accordance with Regulation (EEC) No 2721/88 shall be no more than 685 000 hl. This quantity shall be broken down by production region as referred to in Article 4 of Commission Regulation (EEC) No 441/88 (*) as follows:

— region 2 (France): 50 000 hectolitres
— region 4 (Italy): 575 000 hectolitres
— region 5 (Greece): 60 000 hectolitres.

2. All producers who have produced table wine or wine suitable for yielding table wine and who have signed a preventive distillation contract or declaration as referred to in Article 1(3) of this Regulation for a quantity equal to or greater than 18 hl/ha, may, at the latest by 29 May 1998, sign a preventive distillation contract or declaration with the competent authorities of the Member State, specifying in particular:

(a) the surname, forename and address of the applicant;

(b) the quantity of wine he has produced and wants to distil in accordance with the Community rules on the quality of the products to be delivered for distillation;

(c) the name and address or company name of the distillery.

However, in regions 2 and 5 all producers who have signed a preventive distillation contract or declaration as referred to in Article 1(3) of this Regulation may sign contracts or declarations.

The distillation contract or declaration shall be accompanied by a copy of the production declaration submitted to the competent authorities for the 1997/98 wine year.

Applicants shall also provide proof that they hold the wine in question. The Member States may limit the number of distillation contracts that a producer can sign under this Article.

3. The producer Member States shall establish the reduction rate to be applied to the above contracts and declarations if the total quantity of the contracts and declarations exceeds the quantity stipulated for each region. The Member States shall take the administrative measures necessary to approve the above contracts and declarations not later than 25 June 1998, indicating the reduction rate applied and the quantity of wine accepted per contract or declaration. The Member States shall notify the Commission of the quantities contracted for before 15 June 1998.

4. The deliveries to the distilleries must be made before 24 July 1998.

5. The Member States may stipulate that the contract or declaration be accompanied by proof that a security has been lodged as provided for in Article 1(3).

6. Regulation (EEC) No 2721/88 shall apply, except for Article 6(1) and (4).

(*) OJ L 45, 18.2.1988, p. 15.'

Article 2

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

At the request of distillers, Article 1(1) of this Regulation may be applied to contracts and declarations submitted as from the entry into force of Regulation (EC) No 2020/97.

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

Done at Brussels, 20 May 1998.

For the Commission

Franz FISCHLER

Member of the Commission