COMMISSION REGULATION (EC) No 1795/2002

of 9 October 2002

amending Regulation (EC) No 1623/2000 laying down detailed rules for implementing Regulation (EC) No 1493/1999 on the common organisation of the market in wine with regard to market mechanisms

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Community,

Having regard to Council Regulation (EC) No 1493/1999 of 17 May 1999 on the common organisation of the market in wine [1], as last amended by Regulation (EC) No 2528/2001 [2], and in particular Article 33 thereof,

Whereas:

(1) Title III, Chapter II of Commission Regulation (EC) No 1623/2000 of 25 July 2000 laying down detailed rules for implementing Regulation (EC) No 1493/1999 on the common organisation of the market in wine with regard to market mechanisms [3], as last amended by Regulation (EC) No 1315/2002 [4], provides for an aid scheme for the distillation of wine to produce potable alcohol. The scheme was introduced for the first time in the wine year 2000/01. Experience gained from the first two years of application indicate the need for adjustments.

(2) The period during which distillation may take place needs to be redefined to bring it more into line with the production of wine in all producer Member States. For the same reason there should be a continuous period for the conclusion or approval of distillation contracts instead of the two-week periods currently in force.

(3) Experience from previous wine years has shown that producers are making more use of subcontracted distillation; this results in a risk of disturbance on the alcohol market since the minimum purchase price of the wine cannot be verified. It is therefore necessary to stop that opportunity by amending Article 65 of Regulation (EC) No 1623/2000.

(4) However, there are, in certain Community regions, special production and market structures, including distillery structures which were already identified by European legislators when the compulsory distillation scheme for by-products of wine-making was being introduced. These are producers in wine-growing zone A, in the German part of wine-growing zone B or in the areas planted with vines in Austria who, for the identified structural reasons, have been exempted from compulsory distillation. In one of those regions the rules governing crisis distillation have had to be amended to take account of the high costs of transport to the distilleries given their small number and geographical spread. If there were no opportunity to use sub-contracted distilling, producers in those regions would have practically no access to the distillation of wine to make potable alcohol. In order not to exclude those producers from availing themselves of that Community measure, provision should be made for them to continue to use distilling on a subcontracting basis.

(5) It is also necessary to redefine the periods and conditions for the storage of alcohol obtained from such distillation, including the definition of the unit of measurement for the aid, to take better account of the economic realities in the alcohol sector.

(6) Experience has revealed certain omissions in the wording of Regulation (EC) No 1623/2000, in particular concerning the release of the security in the event that a contract is not quite performed in its entirety, the deadline for aid applications and the introduction of a margin of tolerance for the volume of distillation products stored. New provisions should be included in this Regulation in order to remedy those omissions.

(7) 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 1623/2000 is hereby amended as follows:

1. Chapter II of Title III is replaced by the following:

'CHAPTER II

OPTIONAL DISTILLATION

Article 63

Purpose

This chapter lays down the detailed rules for applying the arrangements for distilling wine to produce potable alcohol as referred to in Article 29 of Regulation (EC) No 1493/1999.

Article 63a

Opening of distillation

1. The distillation of table wine and wine suitable for yielding table wine referred to in Article 29 of Regulation (EC) No 1493/1999 shall be opened for the period from 1 October to 15 December each wine year, but from 1 October to 30 December for the wine year 2002/03.

[1] OJ L 179, 14.7.1999, p. 1.
[2] OJ L 345, 29.12.2001, p. 10.
[3] OJ L 194, 31.7.2000, p. 45.
[4] OJ L 192, 20.7.2002, p. 24.

2. The volume of table wine and wine suitable for yielding table wine for which each producer may sign contracts shall be limited to a percentage to be specified of his wine production declared during one of the last three wine years including the production for the current year if already declared. During a given year the producer may not change the production year chosen as the reference for the calculation of that percentage. For the wine year 2002/03 that percentage shall be 25 %.

The volume of table wine and wine suitable for yielding table wine produced shall be only that given as wine in the column headed "Table wines" in the declaration of quantities produced referred to in Table C of Commission Regulation (EC) No 1282/2001 (*).

3. Each producer who, during the current wine year, has produced table wine or wine suitable for yielding table wine may conclude one or more contracts or make one or more declarations as referred to in Article 65 of this regulation. The contracts or declarations shall be accompanied by evidence of the lodging of a security of EUR 5 per hectolitre. Such contracts or declarations may not be transferred.

4. The Member States shall notify the Commission by 10 January of the current year at the latest of the total volume covered by contracts or declarations submitted under Article 65(1) for distillation during the period referred to in paragraph 1. However, for the wine year 2002/03 the above date shall be 15 January.

5. If the quantities covered by contracts or declarations notified to the Commission by the date referred to in paragraph 4 exceed or may exceed the quantities corresponding to available budget resources or are substantially in excess of the absorption capacity of the potable alcohol sector, the Commission shall set a single percentage for acceptance of the quantities covered by the contracts or declarations concerned. In that case, the security referred to in paragraph 3 shall be released for the quantities notified but not accepted.

6. The Member States shall approve such contracts or declarations between 25 January and 15 February:

— for the entire quantity if the Commission has not set the reduction percentage referred to in paragraph 5,

— for the quantity resulting from application of the reduction percentage if one has been set.

However, for the wine year 2002/03 the above dates shall be 1 February and 20 February.

The Member States shall notify the Commission of the total volume under approved contracts by 20 March of the current wine year at the latest.

Contracts or declarations submitted to the competent authorities in the Member States but not notified to the Commission pursuant to paragraph 4 cannot be approved.

7. Notwithstanding paragraph 5, the Member States may approve contracts or declarations before 25 January for a quantity not exceeding 30 % of the quantity given in the contracts or declarations. However, for the wine year 2002/03 that percentage shall be 35 %.

8. The amounts of wine to be supplied under contract shall be delivered to a distillery by 15 July of the wine year at the latest.

9. The security referred to in paragraph 3 shall be released in proportion to the quantities supplied when the producer provides evidence of delivery to a distillery. Where a contract is performed for at least 95 % of the quantity for which it is concluded the security shall be released in its entirety.

10. The wine supplied to the distillery shall be distilled by 30 September of the following wine year at the latest.

(*) OJ L 176, 29.6.2001, p. 14.

Article 64

Amount of aid and rules applying

1. The primary aid referred to in Article 29(4) of Regulation (EC) No 1493/1999, to be paid to distillers or, in cases as referred to in Article 65(3) of this Regulation, to producers for wine distilled under this chapter shall be fixed, in terms of alcoholic strength by volume per hectolitre of product obtained from distillation, as follows:

— EUR 1,751/% vol/hl for raw alcohol, wine distillate and spirits distilled from wine,

— EUR 1,884/% vol./hl for neutral alcohol.

Aid applications must be submitted to the competent authority no later than 30 November of the following wine year.

The competent authority shall pay the aid within three months of the date of submission of the proof referred to in Article 65(8) of this Regulation.

2. The secondary aid for the storage of alcohol obtained from distillation referred to in Article 29(6) of Regulation (EC) No 1493/1999 shall be EUR 0,00042/% vol/hl of product obtained from distillation per day.

Storage applications must be submitted to the competent authority not later than one month before the date on which storage is to begin. Applications may concern only alcohol which has already been produced. They shall state at least the quantity and the characteristics of the product to be stored and the anticipated dates of the beginning and end of storage.

Unless the competent authority objects within the above one-month time limit, the date when storage is scheduled to begin shall be deemed to be the actual beginning date.