COMMISSION OF THE EUROPEAN COMMUNITIES

Brussels, 16.06.2000
COM(2000) 369 final

2000/0156 (ACC)

Proposal for a

COUNCIL DECISION

on the conclusion of an Agreement in the form of an exchange of letters between the European Community and Norway concerning the extension of the common communication network/common system interface within the framework of the Convention on a common transit procedure

(presented by the Commission)

EXPLANATORY MEMORANDUM

1. The implementation of the computerised transit system introduced by Decision n° 1/99[1] of the Joint Committee on common transit requires the setting up of an international computer network to enable the exchange of information between the competent authorities of the Parties to the Convention of 20 May 1987 on a common transit procedure[2].

2. The European Community has already developed the Common Communications Network/Common System Interface (CCN/CSI) which fulfils the necessary requirements.

3. By Decision n° 2/99 of the Joint Committee the CCN/CSI is to be used by all Contracting Parties to the Convention of 20 May 1987 on a common transit procedure[3].

4. By the Decision n° 2/99 the financial participation of the EFTA countries and other related issues are to be agreed between the Community and each of the EFTA countries.

5. By Decision of 22.10.1999, the Council authorised the Commission to negotiate with each of the non EU partner countries to the Convention on a common transit procedure, in consultation with the special committee appointed by the Council to assist it, an agreement in the form of an exchange of letters on the extension of the CCN/CSI to them, in accordance with the directives annexed to that Decision.

6. The Commission has negotiated the extension of CCN/CSI to the Swiss Confederation and the Czech Republic.

7. By Decision 2000/305/EC[4] of 30 March 2000, the Council has authorised the conclusion of an Agreement in the form of an Exchange of Letters between the European Community and Switzerland concerning the extension of the common communication network/common system interface (CCN/CSI) within the framework of the Convention on a common transit procedure.

8. By Decision 2000/306/EC[5] of 30 March 2000, the Council has authorised the conclusion of an Agreement in the form of an Exchange of Letters between the European Community and the Czech Republic concerning the extension of the common communication network/common system interface (CCN/CSI) within the framework of the Convention on a common transit procedure

9. The Commission has negotiated the extension of CCN/CSI to Norway.

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1 OJ L 65, 12.3.1999, p. 50

2 OJ L 226, 13.8.1987, p. 2

3 Article 1 Appendix I of the Convention is amended as follows:
The following new paragraph is inserted as paragraph 1a in article 23a:
'1a. For the exchange of information in paragraph 1, the Common Communications Network/Common System Interface (CCN/CSI) of the Community shall be used by all contracting Parties. The financial participation of the EFTA countries and other related issue shall be agreed between the Community and each of the EFTA countries.'OJ L 119, 7.5.1999, p. 53

4 OJ C L102, 27.4.2000…, p. 50.

5 OJ C L102, 27.4.2000…, p. 58.

10. The text lays down the financial and technical conditions for the extension of CCN/CSI to Norway. The agreement does not have long-lasting financial implications on the E.U. budget as it foresee a system of pre-financing from the partner country, which will have to advance, by 15 May every year, a flat-rate sum for the annual cost of the use of the network. Moreover Norway will have to constitute (year 2000) and replenish (from 2001 onwards) a reserve for contingencies and future development. The texts contain an obligation for all parties involved to respect the technical specifications relating to the project and the rules concerning the general security policy as established and agreed in the framework of the project.

11. The Commission invites the Council to adopt the attached proposal for a Decision to approve the agreement with Norway on the basis of the results of the negotiations contained in Annexes I and II.

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THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community, and in particular Article 133 together with the first sentence of Article 300(2) and the first subparagraph of Article 300(3) thereof,

Having regard to the proposal from the Commission,

Whereas:

(1) The implementation of the computerised system introduced by Decision No 1/1999 of the EC/EFTA Joint Committee on common transit [6] requires the setting up of an international computer network to make possible the exchange of information between the competent authorities of the parties to the Convention of 20 May 1987 on a common transit procedure [7], hereinafter referred to as "the Convention".

(2) The European Community has already developed the Common Communication Network/Common System Interface (CCN/CSI) which fulfils the necessary requirements.

(3) Decision No 2/1999 of the EC/EFTA Joint Committee on common transit provides that the CCN/CSI is to be used by all contracting parties to the Convention[8] and that the financial participation of the partner countries and other related issues will be determined by mutual agreement between the Community and each of the partner countries.

(4) On 22 October 1999 the Council authorised the Commission of the European Communities to negotiate with each of the non-Community partner countries, parties to the Convention, an agreement in the form of an exchange of letters on the extension of CCN/CSI to each of them.

(5) The Commission has negotiated the extension of CCN/CSI to Norway.

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6 OJ L 65, 12.3.1999, p. 50.
7 OJ L 226, 13.8.1987, p. 2.
8 OJ L 119, 7.5.1999, p. 53.

(6) The Agreement in the form of an Exchange of Letters concerning this extension should be approved

HAS DECIDED AS FOLLOWS:

Article 1

The Agreement in the form of an Exchange of Letters between the European Community and Norway concerning the extension of the common communication network/common system interface (CCN/CSI), in the framework of the Convention on a common transit procedure, is hereby approved on behalf of the Community.

The text of the Agreement in the form of an Exchange of Letters is attached to this Decision.

Article 2

The President of the Council is hereby authorised to designate the person(s) authorised to sign the Agreement in the form of an Exchange of Letters so as to render it binding on the Community.

Article 3

This Decision shall take effect on the day of its publication in the Official Journal of the European Communities.

Done at Brussels,

For the Council
The President

ANNEX I

EXCHANGE OF LETTERS

between the European Community and Norway concerning the extension of the common communication network/common system interface within the framework of the Convention on a common transit procedure

A. Letter from the European Community

Sir,

Regarding the extension of the use of the Common Communications Network/Common System Interface (CCN/CSI) for the New Computerised Transit System to Norway, I would like to propose the following commitment on behalf of the European Community:

I - The Parties will comply with the technical specifications as set out in the documents listed in the Annex to this letter, which have been made available to Norway together with any future amendments which may be made in connection with the project.

II - The European Commission of the European Communities (hereinafter referred to as the "Commission") will manage and develop the system in accordance with the guidelines drawn up by the Customs Policy Committee - Working Party on Data Processing - CCN/CSI Technical Subgroup (CPC-CWP-CCN/CSI) for the partner countries also.

III - The Parties will comply with the rules on general security policy as laid down and decided within the framework of the project.

IV - Not later than 1 September 2000, Norway will pay a flat-rate sum of 120.000 Euro for the installation of CCN/CSI.

V - Before 31 January 2001, the Commission will clear the accounts relating to the installation costs on the basis of the sum already paid and the actual costs chargeable to Norway on the basis of the specific agreement which the Commission has concluded for that purpose with the subcontractor and will provide Norway with a statement of account. The final payment (payment of balance) will take place 30 days after the presentation of the statement of account.

VI - Not later than 1 September 2000, Norway will pay a flat -rate sum of 48.000 Euro for the costs of operating the network for the year 2000.

VII - As from 2001, on 15 May each year, Norway will pay a flat-rate sum for the annual cost of use of the network. Before 31 July each year, the Commission will inform Norway of the flat-rate sum for the following year. The flat-rate sum for the year 2001 will amount to XXXX Euro.[9]

VIII - Before 31 January each year, the Commission will clear the accounts relating to the annual costs of operating the network on the basis of the sum already paid and the actual costs

[9] The flat-rate sum is likely to amount to 96.000 Euro and will be communicated before the signature of the exchange of letters takes place. The amount will depend on the results of the tendering process which is currently taking pace.

chargeable to Norway and will provide Norway with a statement of account. The Commission will calculate the actual cost on the basis of its relationship with the subcontractor, chosen in accordance with the current procedures for the award of contracts. The final payment (payment of balance) will take place 30 days after the presentation of the statement of account. The total amount to be paid by Norway will not in any case exceed by 20% the annual flat-rate sum already paid.

IX - In the same way as the Member States of the European Union, Norway will be kept informed of the forecast trends in these costs as well as of the main aspects of the development of the CCN/CSI which are likely to have an impact on those costs.

X - Not later than 1 September 2000, Norway will pay a deposit for contingencies and future development of the amount of 40 000 Euro. The Commission will provide Norway with a statement of account specifying the breakdown of costs charged to that deposit. Not later than 15 May each year, Norway will replenish the deposit by paying a sum corresponding to the amount actually used for contingencies and future development in the previous year.

XI - All payments must be made to the Commission. Unless specified otherwise, they will be based on a statement of account issued by the Commission containing a breakdown of costs identifying the different services and the supply of hardware and software, payable within 60 days.

XII - This agreement will remain in force as long as the two parties are contracting parties to the Convention of 20 May 1987 on a common transit procedure. However, both parties shall reserve the right to amend the agreement by mutual agreement.

XIII - If Norway pays the amounts provided for in points IV, V, VI, VII VIII and X later than the dates specified in those points, the European Union may charge interest on the arrears (at the rate applied by the Central European Bank to its operations in Euro, published in the "C" series of the Official Journal, on the day on which the deadline for repayment expires, plus one and a half points). The same rate will apply to payments to be made by the Community.

I would be grateful if you could confirm the agreement of Norway to the above.

B. Letter from Norway

Sir,

I acknowledge receipt of your letter concerning the extension of the use of the Common Communications Network/Common System Interface (CCN/CSI) for the New Computerised Transit System to Norway, which reads as follows:

Regarding the extension of the use of the Common Communications Network/Common System Interface (CCN/CSI) for the New Computerised Transit System to Norway, I would like to propose the following commitment on behalf of the European Community:

I - The Parties will comply with the technical specifications as set out in the documents listed in the Annex to this letter, which have been made available to Norway together with any future amendments which may be made in connection with the project.

II - The European Commission of the European Communities (hereinafter referred to as the "Commission") will manage and develop the system in accordance with the guidelines drawn

up by the Customs Policy Committee - Working Party on Data Processing - CCN/CSI Technical Subgroup (CPC-CWP-CCN/CSI) for the partner countries also.

III - The Parties will comply with the rules on general security policy as laid down and decided within the framework of the project.

IV - Not later than 1 September 2000, Norway will pay a flat-rate sum of 120.000 Euro for the installation of CCN/CSI.

V - Before 31 January 2001, the Commission will clear the accounts relating to the installation costs on the basis of the sum already paid and the actual costs chargeable to Norway on the basis of the specific agreement which the Commission has concluded for that purpose with the subcontractor and will provide Norway with a statement of account. The final payment (payment of balance) will take place 30 days after the presentation of the statement of account.

VI - Not later than 1 September 2000, Norway will pay a flat -rate sum of 48.000 Euro for the costs of operating the network for the year 2000.

VII - As from 2001, on 15 May each year, Norway will pay a flat-rate sum for the annual cost of use of the network. Before 31 July each year, the Commission will inform Norway of the flat-rate sum for the following year. The flat-rate sum for the year 2001 will amount to XXXX Euro.[10]

VIII - Before 31 January each year, the Commission will clear the accounts relating to the annual costs of operating the network on the basis of the sum already paid and the actual costs chargeable to Norway and will provide Norway with a statement of account. The Commission will calculate the actual cost on the basis of its relationship with the subcontractor, chosen in accordance with the current procedures for the award of contracts. The final payment (payment of balance) will take place 30 days after the presentation of the statement of account. The total amount to be paid by Norway will not in any case exceed by 20% the annual flat-rate sum already paid.

IX - In the same way as the Member States of the European Union, Norway will be kept informed of the forecast trends in these costs as well as of the main aspects of the development of the CCN/CSI which are likely to have an impact on those costs.

X - Not later than 1 September 2000, Norway will pay a deposit for contingencies and future development of the amount of 40 000 Euro. The Commission will provide Norway with a statement of account specifying the breakdown of costs charged to that deposit. Not later than 15 May each year, Norway will replenish the deposit by paying a sum corresponding to the amount actually used for contingencies and future development in the previous year.

XI - All payments must be made to the Commission. Unless specified otherwise, they will be based on a statement of account issued by the Commission containing a breakdown of costs identifying the different services and the supply of hardware and software, payable within 60 days.

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[10] The flat-rate sum is likely to amount to 96.000 Euro and will be communicated before the signature of the exchange of letters takes place. The amount will depend on the results of the tendering process which is currently taking pace.

XII - This agreement will remain in force as long as the two parties are contracting parties to the Convention of 20 May 1987 on a common transit procedure. However, both parties shall reserve the right to amend the agreement by mutual agreement.

XIII - If Norway pays the amounts provided for in points IV, V, VI, VII VIII and X later than the dates specified in those points, the European Union may charge interest on the arrears (at the rate applied by the Central European Bank to its operations in Euro, published in the "C" series of the Official Journal, on the day on which the deadline for repayment expires, plus one and a half points). The same rate will apply to payments to be made by the Community.

I am pleased to confirm the agreement of Norway to the content of this letter.

ANNEX II

ANNEX TO THE EXCHANGE OF LETTERS

CCN/CSI EXTERNAL DOCUMENTATION

GENERAL

21info_en	CCN/CSI telematic integration in the customs and indirect taxation
21info_fr	CCN/CSI : l'intégration télématique au service de la douane et de la fiscalité indirecte
Arap_101	Architecture of trans-European applications
Bnf104de	Benefits expected from the use of CCN/CSI by the trans-European applications of DGXXI (in German)
Bnf104en	Benefits expected from the use of CCN/CSI by the trans-European applications of DGXXI
Bnf104fr	Benefits expected from the use of CCN/CSI by the trans-European applications of DGXXI (in French)
Lr092v08	Description of the CSI offer
Lr155v01	Description of the dynamic behaviour of the CCN/CSI interactions
Lst-rol-XXI-00	Description of CCN/CSI roles
Mathaeus - Dublin	Architecture and methodology for intra-Community systems
Pre-gen-XXI	CCN/CSI presentation and reading guide

CCN/TC

Ccn_tc_sla_03	CCN/TC Service Level Agreement
Epm01	CCN/TC External Procedure Manual
Sqp_01	CCN/TC Service Quality Plan

DEVELOPMENT

Acg_03	Application Configuration Guide
Prg_c_05	Application Programming Guide (C language)

Prg_Cob_BS2000_03	Application Programming Guide (Cobol language for BS2000)
Prg_Cob_CICS_01	Application Programming Guide (Cobol language for IBM)kkk
Prg_Cob_GCOS7_03	Application Programming Guide (Cobol language for GCOS7)
Prg_Cob_GCOS8_01	Application Programming Guide (Cobol language for GCOS8)
Ref_cd09	Common Definitions Reference Manual (C language)
Ref_Cob_cd01	Common Definitions Reference Manual (Cobol language)
Ref_Cob_cs01	CSI Reference Manuel (Cobol language)
Ref_Cob_gs01	GSS Reference Manual (Cobol language)
Ref_Cob_hl01	HL Reference Manual (Cobol language)
Ref_Cob_os01	OS Reference Manual (Cobol language)
Ref_Cob_pr01	Presentation Reference Manual (Cobol language)
Ref_cs09	CSI Reference Manuel (C language)
Ref_er05	CSI Error Reason codes Reference Manual
Ref_gs03	GSS Reference Manual (C language)
Ref_hl07	HL Reference Manual (C language)
Ref_os01	OS Reference Manual (C language)
Ref_pr07	Presentation Reference Manual (C language)

SECURITY

Pol-sec-XXI-01	CCN/CSI General Security Policy

SPECIFICATIONS

Ad_07	Architecture Design
Frs_03	Requirement Specifications
Fss_05	Functional System Specifications
Ovw_07	System Overview

TRAINING

Tra-csi(mod1)-05.ppt	Course for the CSI application architects and developers
Tra-csi(mod2)-05.ppt	Course for the CSI application architects and developers (C language)
Tra-csi(mod3)-03.ppt	Course for the CSI application architects and developers (C language)
Tra-csi_cob(mod2)-01.ppt	Course for the CSI application architects and developers (Cobol language)
Tra-csi_cob(mod3)-01.ppt	Course for the CSI application architects and developers (Cobol language)

FINANCIAL STATEMENT

DATE:

1. BUDGET HEADING: APPROPRIATIONS:
B7-8600 and 6093 (statement of revenue)

2. TITLE:
Customs co-operation and international assistance (Customs 2000) and revenue accruing from the participation of the non-member countries in customs co-operation agreements

3. LEGAL BASIS:
Decision N° 2/99 of the EC-CEFTA joint committee "common Transit" of 30 March 1999 modifying Appendix I of the Convention of 20 May 1987, on a common transit procedure. OJ L 119 p. 53, of 07/05/99.

4. AIMS:
Installation and use of the CCN/CSI network by Norway

5. FINANCIAL IMPLICATIONS	12 MONTH PERIOD (EUR million)	CURRENT FINANCIAL YEAR [n] (EUR million)	FOLLOWING FINANCIAL YEAR [n+1] (EUR million)
5.0 EXPENDITURE - CHARGED TO THE EC BUDGET (REFUNDS/INTERVENTIONS) - NATIONAL AUTHORITIES - OTHER	0.208		0.096
5.1 REVENUE - OWN RESOURCES OF THE EC (LEVIES/CUSTOMS DUTIES) - NATIONAL		0.208	0.096

	[n+2]	[n+3]	[n+4]	[n+5]
5.0.1 ESTIMATED EXPENDITURE				
5.1.1 ESTIMATED REVENUE				

5.2 METHOD OF CALCULATION:
The CCN/CSI was developed by the Community as a common network between the administrations of the Member States, to allow an exchange of information between the Member States themselves and the Commission
The existence of such an international computer network for the exchange of information between the customs authorities involved is an essential instrument for the implementation of the new computerised transit system (NCTS).
A decision has been taken to allow the EFTA and Visegrad Countries (Poland, Hungary, Czech Republic and Slovak Republic) to use the system to exchange data within the framework of common transit, (Decision 2/99).
In this respect, the Community financial involvement is confined to advancing funds to cover spending which will be reimbursed , via the item 6093, by Norway
The installation costs of the CCN/CSI network can be estimated at +/ - €s 120 000
The annual costs of use of the network are estimated (2000) at +/ - €s 48.000; (2001) +/ - €s 96 000
The possible cost of contingencies, and future developments of the network can be evaluated at €s 40.000 for 2000. Each following year, Norway will replenish the deposit by paying a sum corresponding to the amount actually used for contingencies and future development in the previous year.

6.0	CAN THE PROJECT BE FINANCED FROM APPROPRIATIONS ENTERED IN THE RELEVANT CHAPTER OF THE CURRENT BUDGET?	YES NO
6.1	CAN THE PROJECT BE FINANCED BY TRANSFER BETWEEN CHAPTERS OF THE CURRENT BUDGET?	YES NO
6.2	WILL A SUPPLEMENTARY BUDGET BE NECESSARY?	YES NO
6.3	WILL APPROPRIATIONS NEED TO BE ENTERED IN FUTURE BUDGETS?	YES NO

OBSERVATIONS:
The Commission will commit the appropriations concerned at the time of the signature of the contract and payments will come to an end once the country concerned will have received the installation. Payments will be carried out via the B7-8600 heading, Customs 2000 of the general Budget.
The procedure for the recovery of the annual costs of use of the network is similar. These costs will be updated each year, according to the market trends.
Refunding will be required to the third countries concerned, via the item 6093 of the statement of revenues. The refund procedures are specified in the exchange of letters.