COMMISSION OF THE EUROPEAN COMMUNITIES

COM(92) 203 final

Brussels, 15 May 1992

Proposal for a COUNCIL DECISION

concerning the conclusion of the Agreements in the form of exchanges of letters amending the exchanges of letters on transit signed together with the Association Agreement on 16 December 1991 between the European Communities and their Member States and the Republic of Hungary and to the Interim Agreement between the European Economic Community and the Republic of Hungary as well as exchanges of letters replacing the exchanges of letters on infrastructure signed together with the Association Agreement between the European Communities and their Member States and the Republic of Hungary and with the Interim Agreement between the European Economic Community and the Republic of Hungary

Proposal for a COUNCIL DECISION

concerning the conclusion of the Agreements in the form of exchanges of letters amending the exchanges of letters on transit signed together with the Association Agreement on 16 December 1991 between the European Communities and their Member States and the CSFR and to the Interim Agreement between the European Economic Community and the CSFR as well as exchanges of letters replacing the exchanges of letters on infrastructure signed together with the Association Agreement between the European Communities and their Member States and the CSFR and with the Interim Agreement between the European Economic Community and the CSFR

(presented by the Commission)



Explanatory memorandum

- 1. The annexed draft proposals constitute the legal instrument for modifying the existing exchanges of letters on transit between the European Community on the one hand and the CSFR and Hungary on the other hand and replacing the existing exchanges of letters on infrastructure between the European Community on the one hand and the CSFR and Hungary on the other hand.
- 2. The above mentioned existing exchanges of letters were signed on 16 December 1991 upon the signature (on 16 December 1991) of the Association Agreements between the Communities and their member States on the one hand and the CSFR and Hungary on the other hand as well as upon the signature (on 16 December 1991) of the Interim Agreement between the European Economic Community on the one hand and the CSFR and Hungary on the other hand. The Europe Agreement has not yet come into force. The Interim Agreement entered into force on 1 March last.

Since the signatures of the above mentioned exchanges of letters, both the CSFR and Hungary increased the fee for taxable transit permits which led to discussions between the Community and the countries concerned. These discussions resulted in a mutually acceptable reduction in the transit fees as well as in a clearer undertaking from the Community to explore with both Hungary and the CSFR, within the framework of the existing financial mechanisms, financing possibilities for the improvement of land transport infrastructure in these two countries. The parties therefore consider it necessary to modify the above mentioned existing exchanges of letters on transit and to replace the existing exchanges of letters on infrastructure.

- 3. The Council concludes the agreement on behalf of the EEC by adopting the decisions mentioned under (I).
- 4. In view of the above considerations the Commission requests the Council to adopt the proposals mentioned under (I).
- 5. In view of the urgency of the matter the Commission, Hungary and the CSFR agree that the exchanges of letters can be signed by the ambassadors of these two countries and by a director of the Directorate-General for External Relations of the Commission.

ANNEX I

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Draft Council decisions concerning the amendment of the existing Exchanges of Letters on transit between the EEC on the one hand and the CSFR and Hungary on the other hand and replacing the existing Exchanges of Letters on infrastructure between the EEC on the one hand and the CSFR and Hungary on the other hand.

AGREEMENT

in the form of exchanges of letters modifying the exchanges of letters on transit signed together with the Association Agreement on 16 December 1991 between the European Communities and their Member States and the Republic of Hungary, and with the Interim Agreement between the European Economic Community and Hungary⁽¹⁾; and exchanges of letters replacing the exchanges of letters on infrastructure signed together with the Association Agreement between the European Communities and their Member States and the Republic of Hungary, and with the Interim Agreement between the European Economic Community and the Republic of Hungary.

> COUNCIL DECISION (EEC) N°/92 OF 1992

Concerning the conclusion of the Agreements in the form of exchanges of letters amending the exchanges of letters on transit signed together with the Association Agreement on 16 December 1991 between the European Communities and their Member States and the Republic of Hungary and to the Interim Agreement between the European Economic Community and the Republic of Hungary as well as exchanges of letters replacing the exchanges of letters on infrastructure signed together with the Association Agreement between the European Communities and their Member States and the Republic of Hungary and with the Interim Agreement between the European Economic Community and the Republic of Hungary.

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the treaty establishing the European Economic Community, and in particular Article 113 there of,

Having regard to the proposal of the Commission,

Whereas the exchanges of letters on transit signed together with the Association Agreement and with the Interim Agreement on 16 December 1991 should be amended ; whereas the exchanges of letters on infrastructure signed together with the Association Agreement and with the Interim Agreement on 16 December 1991 should be replaced ; whereas the Agreements in the form of exchanges of letters agreed to this effect should be concluded.

(1) OJ NO, 1992

Article 1

The Agreements in the form of exchanges of letters amending the exchanges of letters on transit signed together with the Association Agreement between the European Communities and their Member States on the one hand and Hungary on the other hand and with the Interim Agreement between the European Economic Community and the Republic of Hungary and replacing the exchanges of letters on infrastructure signed together with the Association Agreement between the European Communities and their Member States on the one hand and Hungary on the other hand and with the Interim Agreement between the European Community on the one hand and Hungary on the other hand are hereby approved on behalf of the Community.

The texts of the Agreements in the form of exchanges of letters are annexed to this decision.

Article 2

The President of the Council is hereby authorized to designate the person empowered to sign the Agreements in order to bind the Community.

Done at Brussels, 1992

For the Council The President

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Exchanges of letters between the European Economic Community ("the Community") and Hungary concerning transit

signed in Brussels on 16th December 1991

A. Letter from the Community

Sir,

Upon the occasion of the signature on 16th December 1991 of the Europe Agreement between the Communities and their Member States and Hungary and of the Interim Agreement on trade and trade related matters between the European Economic Community ("the Community") and the European Coal and Steel Community and Hungary Agreements in the form of Exchanges of letters between the Community and Hungary concerning transit were signed. The Europe Agreement has not yet come into force. The Interim Agreement came into force on 1st March 1992.

Since the signatures of the Exchanges of letters, Hungary adopted law N° LXXXII of 1991 on vehicle taxes. The parties consider it necessary to come to an agreement through the present Exchange of letters, to amend the relevant provisions of the Exchanges of letters signed on 16th December 1991 to take account thereof.

Accordingly, I propose that the Exchanges of letters signed on 16th December 1991 be amended as follows :

The part of Paragraph 2 (a) beginning with the words "...Hungary hereby grants..." shall be replaced by the following text :

"(i) Hungary hereby grants in 1992, in place of the existing quotas granted pursuant to the bilateral agreement between Greece and Hungary for 1991 permits in the following way :

1992

untaxed 10.000

taxable 14.000 with a tax rate of 1 Forint per ton/km. 1.200 with a tax rate of 3 Forint per ton/km. third country (1)(2) 600 1.

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- All above existing and additional third country permits may be exchanged for transit permits in the ratio 1:2 (1 third country permit for 2 transit permits)
- (2) The Community shall grant 600 third country permits to Hungary for use only in traffic to or from Greece.

All untaxed and taxable permits are of a round-trip character. For 1993 and 1994 the total number of untaxed and taxable permits will be increased annually by five percent so that the permits amount in 1993 to 10.500 untaxed and 14.700 and 1.260 taxable permits and in 1994 to 11.025 untaxed and 15.435 and 1.323 taxable permits. The number of third country permits remains 600 in each of the years 1993 and 1994.

The rates of tax of 1 Forint and 3 Forint per ton-kilometer shall be adjusted for 1993 so as to maintain an exchange rate for the Forint to the ECU equal to the average of such rate obtaining in the period from 6th February to 31st December 1992 and for 1994 so as to maintain an average rate equal to the average obtaining in the period from 1st January to 31st December 1993.

(ii) The Community hereby grants to Hungary in 1992 12.000 untaxable permits for use only on the territory of Greece.

If the transit situation on the territory of the republics which formed part of Yugoslavia in 1991 is not normalised the Community and Hungary shall jointly examine before 31st December 1992 the possible changes concerning the arrangements set out in this paragraph 2.a.

Changes in the above provisions can, until the end of 1994 or, if this happens at an earlier date, until the conclusion of a bilateral transport agreement between the Community and Hungary, be made by common agreement between the parties.

The Community takes note of the Hungarian understanding that discussions will take place with the Commission and the Member States most directly concerned on other transportation questions such as aviation and third country road permits."

If the foregoing is acceptable to Hungary, I have the honour to propose that this letter, together with Your Excellency's reply to that effect, shall constitute an amendment to the Exchange of letters signed on 16th December 1991 which shall enter into force on the date of Your Excellency's reply and be applicable as from 1st March 1992.

I should be obliged if you would confirm the agreement of the Government of Hungary to the contents of this letter.

Please accept, Sir, the assurance of my highest consideration.

On behalf of the Community,

Exchanges of letters between the European Economic Community ("the Community") and Hungary concerning transit

signed in Brussels on 16th December 1991

B. Letter from Hungary

Sir,

I have the honour to acknowledge receipt of your letter of today's date which reads as follows:

"Upon the occasion of the signature on 16th December 1991 of the Europe Agreement between the Communities and their Member States and Hungary and of the Interim Agreement on trade and trade related matters between the European Economic Community ("the Community") and the European Coal and Steel Community and Hungary Agreements in the form of Exchanges of letters between the Community and Hungary concerning transit were signed. The Europe Agreement has not yet come into force. The Interim Agreement came into force on 1st March 1992.

Since the signatures of the Exchanges of letters, Hungary adopted law N° LXXXII of 1991 on vehicle taxes. The parties consider it necessary to come to an agreement through the present Exchange of letters, to amend the relevant provisions of the Exchanges of letters signed on 16th December 1991 to take account thereof.

Accordingly, I propose that the Exchanges of letters signed on 16th December 1991 be amended as follows :

The part of Paragraph 2 (a) beginning with the words "...Hungary hereby grants..." shall be replaced by the following text :

"(i) Hungary hereby grants in 1992, in place of the existing quotas granted pursuant to the bilateral agreement between Greece and Hungary for 1991 permits in the following way :

1992

untaxed	10.000
taxable	14.000 with a tax rate of 1 Forint per ton/km.
third country (1)(2)	1.200 with a tax rate of 3 Forint per ton/km. 600

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- All above existing and additional third country permits may be exchanged for transit permits in the ratio 1:2 (1 third country permit for 2 transit permits)
- (2) The Community shall grant 600 third country permits to Hungary for use only in traffic to or from Greece.

All untaxed and taxable permits are of a round-trip character. For 1993 and 1994 the total number of untaxed and taxable permits will be increased annually by five percent so that the permits amount in 1993 to 10.500 untaxed and 14.700 and 1.260 taxable permits and in 1994 to 11.025 untaxed and 15.435 and 1.323 taxable permits. The number of third country permits remains 600 in each of the years 1993 and 1994.

The rates of tax of 1 Forint and 3 Forint per ton-kilometer shall be adjusted for 1993 so as to maintain an exchange rate for the Forint to the ECU equal to the average of such rate obtaining in the period from 6th February to 31st December 1992 and for 1994 so as to maintain an average rate equal to the average obtaining in the period from 1st January to 31st December 1993.

(ii) The Community hereby grants to Hungary in 1992 12.000 untaxable permits for use only on the territory of Greece.

If the transit situation on the territory of the republics which formed part of Yugoslavia in 1991 is not normalised the Community and Hungary shall jointly examine before 31st December 1992 the possible changes concerning the arrangements set out in this paragraph 2.a.

Changes in the above provisions can, until the end of 1994 or, if this happens at an earlier date, until the conclusion of a bilateral transport agreement between the Community and Hungary, be made by common agreement between the parties.

The Community takes note of the Hungarian understanding that discussions will take place with the Commission and the Member States most directly concerned on other transportation questions such as aviation and third country road permits."

If the foregoing is acceptable to Hungary, I have the honour to propose that this letter, together with Your Excellency's reply to that effect, shall constitute an amendment to the Exchange of letters signed on 16th December 1991 which shall enter into force on the date of Your Excellency's reply and be applicable as from 1st March 1992.

I should be obliged if you would confirm the agreement of the Government of Hungary to the contents of this letter.

Please accept, Sir, the assurance of my highest consideration."

I have the honour to confirm that Hungary is in agreement with the contents of this letter.

Please accept, Sir, the assurance of my highest consideration.

For the Government of Hungary,

Exchange of letters between the European Economic Community ("the Community") and Hungary on land transport infrastructure

signed in Brussels on 16th December 1991

A. Letter from the Community.

Sir,

Upon the occasion of the signature on 16th December of the Interim Agreement on trade and trade related matters between the European Economic Community ("the Community") and the European Coal and Steel Community and Hungary an Agreement in the form of an Exchange of Letters between the Community and Hungary concerning land transport infrastructure was signed. The Interim Agreement came into force on 1st March 1992.

Since the signature of the Exchange of Letters, Hungary adopted law N° LXXXII of 1991 on vehicle taxes. The parties consider it necessary to come to an agreement through the present Exchange of letters to amend the relevant provisions of the Exchange of letters signed on 16th December 1991 to take account thereof.

Accordingly, I propose that the text of the Exchange of Letters signed on 16th December 1991 be replaced by the following text:

"I have the honour of confirming to you herewith that the Community has full understanding of the infrastructural and environmental problems Hungary is facing in the area of transport and shall, within the framework of the financial mechanisms provided for, provide, as appropriate, financing for the improvement of land transport infrastructure, including roads, railways, inland waterways and combined transport.

In this context, I take note of Hungary's explanation of the urgent need for financial assistance to enable Hungarian infrastructure to cope with the increased transit traffic in Hungary and of the wish expressed by Hungary to consider projects related to transit traffic through Hungary, such as the modernization and construction of railway lines and motorways between Hegyeshalom and Budapest, and that between Budapest and Kelebia as priority, since these represent major corridors for Community transit. 5.

The Commission agrees to start to examine with Hungary possible ways to contribute to the improvement of such infrastructure in Hungary, paying special attention to environmental aspects, inter alia combined transport, transit motorways, waterways transport, without prejudice to appraisal of projects according to existing procedures."

If the foregoing is acceptable to Hungary, I have the honour to propose that this letter, together with Your Excellency's reply to that effect, shall constitute the replacement of the Exchange of Letters signed on 16th December 1991, which shall enter into force on the date of Your Excellency's reply and be applicable as from 1st March 1992.

I should be obliged if you would confirm the agreement of the Government of Hungary to the contents of this letter.

Please accept, Sir, the assurance of my highest consideration.

On behalf of the Community.

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European Economic Community ("the Community") and Hungary on land transport infrastructure

signed in Brussels on 16th December 1991

B. Letter from Hungary.

Sir,

I have the honour to acknowledge receipt of your letter of today's date which reads as follows:

"Upon the occasion of the signature on 16th December of the Interim Agreement on trade and trade related matters between the European Economic Community ("the Community") and the European Coal and Steel Community and Hungary an Agreement in the form of an Exchange of Letters between the Community and Hungary concerning land transport infrastructure was signed. The Interim Agreement came into force on 1st March 1992.

Since the signature of the Exchange of Letters, Hungary adopted law N° LXXXII of 1991 on vehicle taxes. The parties consider it necessary to come to an agreement through the present Exchange of letters to amend the relevant provisions of the Exchange of letters signed on 16th December 1991 to take account thereof.

Accordingly, I propose that the text of the Exchange of Letters signed on 16th December 1991 be replaced by the following text:

"I have the honour of confirming to you herewith that the Community has full understanding of the infrastructural and environmental problems Hungary is facing in the area of transport and shall, within the framework of the financial mechanisms provided for, provide, as appropriate, financing for the improvement of land transport infrastructure, including roads, railways, inland waterways and combined transport.

In this context, I take note of Hungary's explanation of the urgent need for financial assistance to enable Hungarian infrastructure to cope with the increased transit traffic in Hungary and of the wish expressed by Hungary to consider projects related to transit traffic through Hungary, such as the modernization and construction of railway lines and motorways between Hegyeshalom and Budapest, and that between Budapest and Kelebia as priority, since these represent major corridors for Community transit. The Commission agrees to start to examine with Hungary possible ways to contribute to the improvement of such infrastructure in Hungary, paying special attention to environmental aspects, inter alia combined transport, transit motorways, waterways transport, without prejudice to appraisal of projects according to existing procedures."

If the foregoing is acceptable to Hungary, I have the honour to propose that this letter, together with Your Excellency's reply to that effect, shall constitute the replacement of the Exchange of Letters signed on 16th December 1991, which shall enter into force on the date of Your Excellency's reply and be applicable as from 1st March 1992.

I should be obliged if you would confirm the agreement of the Government of Hungary to the contents of this letter.

Please accept, Sir, the assurance of my highest consideration."

I have the honour to confirm that Hungary is in agreement with the contents of this letter.

Please accept, Sir, the assurance of my highest consideration.

For the Government of Hungary,

Exchange of letters between the European Economic Community ("the Community") and Hungary on land transport infrastructure

signed in Brussels on 16th December 1991

A. Letter from the Community.

Sir,

Upon the occasion of the signature on 16th December of the Europe Agreement between the Communities and their Member States and Hungary an Agreement in the form of an Exchange of Letters between the Community and Hungary concerning land transport infrastructure was signed. The Europe Agreement has not yet come into force.

Since the signature of the Exchange of Letters, Hungary adopted law N° LXXXII of 1991 on vehicle taxes. The parties consider it necessary to come to an agreement through the present Exchange of letters, to amend the relevant provisions of the Exchange of letters signed on 16th December 1991 to take account thereof.

Accordingly, I propose that the text of the Exchange of Letters signed on 16th December 1991 be replaced by the following text:

"I have the honour of confirming to you herewith that the Community has full understanding of the infrastructural and environmental problems Hungary is facing in the area of transport and shall, within the framework of the financial mechanisms provided for in the Europe Agreement, provide, as appropriate, financing for the improvement of land transport infrastructure, including roads, railways, inland waterways and combined transport.

In this context, I take note of Hungary's explanation of the urgent need for financial assistance to enable Hungarian infrastructure to cope with the increased transit traffic in Hungary and of the wish expressed by Hungary to consider projects related to transit traffic through Hungary, such as the modernization and construction of railway lines and motorways between Hegyeshalom and Budapest, and that between Budapest and Kelebia as priority, since these represent major corridors for Community transit. 9.

The Commission agrees to start to examine with Hungary, on the basis of this Exchange of Letters and referring to Article 81 in the Europe Agreement, possible ways to contribute to the improvement of such infrastructure in Hungary, paying special attention to environmental aspects, inter alia combined transport, transit motorways, waterways transport, without prejudice to appraisal of projects according to existing procedures."

If the foregoing is acceptable to Hungary, I have the honour to propose that this letter, together with Your Excellency's reply to that effect, shall constitute the replacement of the Exchange of Letters signed on 16th December 1991, which shall enter into force on the date of Your Excellency's reply and be applicable as from the entry into force of the Europe Agreement.

I should be obliged if you would confirm the agreement of the Government of Hungary to the contents of this letter.

Please accept, Sir, the assurance of my highest consideration.

On behalf of the Community.

Exchange of letters between the European Economic Community ("the Community") and Hungary on land transport infrastructure

signed in Brussels on 16th December 1991

B. Letter from Hungary

Sir,

I have the honour to acknowledge receipt of your letter of today's date which reads as follows:

"Upon the occasion of the signature on 16th December of the Europe Agreement between the Communities and their Member States and Hungary an Agreement in the form of an Exchange of Letters between the Community and Hungary concerning land transport infrastructure was signed. The Europe Agreement has not yet come into force.

Since the signature of the Exchange of Letters, Hungary adopted law N° LXXXII of 1991 on vehicle taxes. The parties consider it necessary to come to an agreement through the present Exchange of letters, to amend the relevant provisions of the Exchange of letters signed on 16th December 1991 to take account thereof.

Accordingly, I propose that the text of the Exchange of Letters signed on 16th December 1991 be replaced by the following text:

"I have the honour of confirming to you herewith that the Community has full understanding of the infrastructural and environmental problems Hungary is facing in the area of transport and shall, within the framework of the financial mechanisms provided for in the Europe Agreement, provide, as appropriate, financing for the improvement of land transport infrastructure, including roads, railways, inland waterways and combined transport.

In this context, I take note of Hungary's explanation of the urgent need for financial assistance to enable Hungarian infrastructure to cope with the increased transit traffic in Hungary and of the wish expressed by Hungary to consider projects related to transit traffic through Hungary, such as the modernization and construction of railway lines and motorways between Hegyeshalom and Budapest, and that between Budapest and Kelebia as priority, since these represent major corridors for Community transit.

The Commission agrees to start to examine with Hungary, on the basis of this Exchange of Letters and referring to Article 81 in the Europe Agreement, possible ways to contribute to the improvement of such infrastructure in Hungary, paying special attention to environmental aspects, inter alia combined transport, transit motorways, waterways transport, without prejudice to appraisal of projects according to existing procedures."

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If the foregoing is acceptable to Hungary, I have the honour to propose that this letter, together with Your Excellency's reply to that effect, shall constitute the replacement of the Exchange of Letters signed on 16th December 1991, which shall enter into force on the date of Your Excellency's reply and be applicable as from the entry into force of the Europe Agreement.

I should be obliged if you would confirm the agreement of the Government of Hungary to the contents of this letter.

Please accept, Sir, the assurance of my highest consideration."

I have the honour to confirm that Hungary is in agreement with the contents of this letter.

Please accept, Sir, the assurance of my highest consideration.

For the Government of Hungary,

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AGREEMENT

in the form of exchanges of letters modifying the exchanges of letters on transit signed together with the Association Agreement on 16 December 1991 between the European Communities and their Member States and the Czech and Slovak Federal Republic (CSFR), and with the Interim Agreement between the European Economic Community and the $CSFR^{(1)}$; and exchanges of letters replacing the exchanges of letters on infrastructure signed together with the Association Agreement between the European Communities and their Member States and the CSFR, and with the Interim Agreement between the European Economic Community and the CSFR (2).

> COUNCIL DECISION (EEC) N°/92 OF 1992

Concerning the conclusion of the Agreements in the form of exchanges of letters amending the exchanges of letters on transit signed together with the Association Agreement on 16 December 1991 between the European Communities and their Member States and the CSFR and to the Interim Agreement between the European Economic Community and the CSFR as well as exchanges of letters replacing the exchanges of letters on infrastructure signed together with the Association Agreement between the European Communities and their Member States and the CSFR and with the Interim Agreement between the European Economic Community and the CSFR.

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the treaty establishing the European Economic Community, and in particular Article 113 there of,

Having regard to the proposal of the Commission,

Whereas the exchanges of letters on transit signed together with the Association Agreement and with the Interim Agreement on 16 December 1991 should be amended ; whereas the exchanges of letters on infrastructure signed together with the Association Agreement and with the Interim Agreement on 16 December 1991 should be replaced ; whereas the Agreements in the form of exchanges of letters agreed to this effect should be concluded.

(1) OJ NO, 1992

HAS ADOPTED THIS DECISION :

Article 1

The Agreements in the form of exchanges of letters amending the exchanges of letters on transit signed together with the Association Agreement between the European Communities and their Member States on the one hand and the CSFR on the other hand and with the Interim Agreement between the European Economic Community and the CSFR and replacing the exchanges of letters on infrastructure signed together with the Association Agreement between the European Communities and their Member States on the one hand and the CSFR on the other hand and with the Interim Agreement between the European Economic Communities on the one hand and the CSFR on the other hand and between the European Economic Community on the one hand and the CSFR on the other hand are hereby approved on behalf of the Community.

The texts of the Agreements in the form of exchanges of letters are annexed to this decision.

Article 2

The President of the Council is hereby authorized to designate the person empowered to sign the Agreements in order to bind the Community.

Done at Brussels, 1992

For the Council The President

Exchanges of letters between the European Economic Community ("the Community") and the CSFR concerning transit

signed in Brussels on 16th December 1991

A. Letter from the Community

Sir,

Upon the occasion of the signatures on 16th December of the Europe Agreement between the Communities and their Member States and the CSFR and of the Interim Agreement on trade and trade related matters between the European Economic Community ("the Community") and the European Coal and Steel Community and the CSFR Agreements in the form of Exchanges of letters between the Community and the CSFR concerning transit were signed. The Europe Agreement has not yet come into force. The Interim Agreement came into force on 1st March 1992.

Since the signature of the Exchanges of letters, the CSFR increased the fee for taxable transit permits. This decision had consequences on the arrangements made in December concerning transit and the parties consider it necessary to come to an agreement through the present Exchange of letters, to amend the relevant provisions of the Exchanges of letters signed on 16th December 1991 to take account thereof.

Accordingly, I propose that the Exchanges of letters signed on 16th December 1991 be amended as follows :

In paragraph 2) the following sentence shall be inserted after the first sentence of the first alinea: "The fee per taxable permit is 18.500 Czechoslovak crowns."

The following alineas shall be added after the second alinea of paragraph 2) : "Both sides agreed that if the transit situation on the territory of former Yugoslavia is not normalized they will jointly examine before the end of the year the possible changes concerning the above mentioned arrangements." "Changes in the above provisions can be made by common agreement between the parties."

If the foregoing is acceptable to the CSFR, I have the honour to propose that this letter, together with Your Excellency's reply to that effect, shall constitute an amendment to the Exchanges of letters signed on 16th December 1991 which shall enter into force on the date of Your Excellency's reply and be applicable as from 15th March 1992.

I should be obliged if you would confirm the agreement of the Government of the CSFR to the contents of this letter.

Please accept, Sir, the assurance of my highest consideration.

On behalf of the Community,

Exchanges of letters between the European Economic Community ("the Community") and the CSFR concerning transit

signed in Brussels on 16th December 1991

B. Letter from the CSFR

Sir,

I have the honour to acknowledge receipt of your letter of today's date which reads as follows:

"Upon the occasion of the signatures on 16th December of the Europe Agreement between the Communities and their Member States and the CSFR and of the Interim Agreement on trade and trade related matters between the European Economic Community ("the Community") and the European Coal and Steel Community and the CSFR Agreements in the form of Exchanges of letters between the Community and the CSFR concerning transit were signed. The Europe Agreement has not yet come into force. The Interim Agreement came into force on 1st March 1992.

Since the signature of the Exchanges of letters, the CSFR increased the fee for taxable transit permits. This decision had consequences on the arrangements made in December concerning transit and the parties consider it necessary to come to an agreement through the present Exchange of letters, to amend the relevant provisions of the Exchanges of letters signed on 16th December 1991 to take account thereof.

Accordingly, I propose that the Exchanges of letters signed on 16th December 1991 be amended as follows :

In paragraph 2) the following sentence shall be inserted after the first sentence of the first alinea: "The fee per taxable permit is 18.500 Czechoslovak crowns."

The following alineas shall be added after the second alinea of paragraph 2) : "Both sides agreed that if the transit situation on the territory of former Yugoslavia is not normalized they will jointly examine before the end of the year the possible changes concerning the above mentioned arrangements." "Changes in the above provisions can be made by common agreement between the parties."

If the foregoing is acceptable to the CSFR, I have the honour to propose that this letter, together with Your Excellency's reply to that effect, shall constitute an amendment to the Exchanges of letters signed on 16th December 1991 which shall enter into force on the date of Your Excellency's reply and be applicable as from 15th March 1992. I should be obliged if you would confirm the agreement of the Government of the CSFR to the contents of this letter.

Please accept, Sir, the assurance of my highest consideration."

I have the honour to confirm that the CSFR is in agreement with the contents of this letter.

Please accept, Sir, the assurance of my highest consideration.

For the Government of the CSFR,

Exchanges of letters between the European Economic Community ("the Community") and the CSFR on land transport infrastructure

signed in Brussels on 16th December 1991

A. Letter from the Community.

Sir,

Upon the occasion of the signature on 16th December of the Interim Agreement on trade and trade related matters between the European Economic Community ("the Community") and the European Coal and Steel Community and the CSFR an Agreement in the form of an Exchange of Letters between the Community and the CSFR concerning land transport infrastructure was signed. The Interim Agreement came into force on 1st March 1992.

Since the signature of the Exchange of Letters, the CSFR increased the fee for taxable transit permits. This law had consequences on the arrangements made in December concerning transit and the parties consider it necessary to come to an agreement through the present Exchange of letters, to amend the relevant provisions of the Exchange of letters signed on 16th December 1991 to take account thereof.

Accordingly, I propose that the text of the Exchange of Letters signed on 16th December 1991 be replaced by the following text:

"I have the honour of confirming to you herewith that the Community has full understanding of the infrastructural and environmental problems the CSFR is facing in the area of transport and shall, within the framework of the financial mechanisms provided for, provide, as appropriate, financing for the improvement of land transport infrastructure, including combined transport.

In this context, I take note of the CSFR's explanation of the urgent need for financial assistance to enable CSFR land transport infrastructure to cope with the increased transit traffic in the CSFR.

The parties agree to seek, in the context of the existing Trade and Cooperation Agreement, possible ways and means to contribute to the improvement of such infrastructure in the CSFR, paying special attention to border crossings and nearby areas, combined transport, transit motorways, waterways transport and environmental aspects, without prejudice to appraisal of projects according to existing procedures. The parties further agree to start, at their earliest convenience, discussions about possible Community financial assistance.

The CSFR will consider further reducing the rate of taxable permits for Community hauliers according to progress in the above discussions."

If the foregoing is acceptable to the CSFR, I have the honour to propose that this letter, together with Your Excellency's reply to that effect, shall constitute the replacement of the Exchange of letters signed on 16th December 1991, which shall enter into force on the date of Your Excellency's reply and be applicable as from 1st March 1992.

I should be obliged if you would confirm the agreement of the Government of the CSFR to the contents of this letter.

Please accept, Sir, the assurance of my highest consideration.

On behalf of the Community.

Exchanges of letters between the European Economic Community ("the Community") and the CSFR on land transport infrastructure

signed in Brussels on 16th December 1991

B. Letter from the CSFR.

Sir,

I have the honour to acknowledge receipt of your letter of today's date which reads as follows:

"Upon the occasion of the signature on 16th December of the Interim Agreement on trade and trade related matters between the European Economic Community ("the Community") and the European Coal and Steel Community and the CSFR an Agreement in the form of an Exchange of Letters between the Community and the CSFR concerning land transport infrastructure was signed. The Interim Agreement came into force on 1st March 1992.

Since the signature of the Exchange of Letters, the CSFR increased the fee for taxable transit permits. This law had consequences on the arrangements made in December concerning transit and the parties consider it necessary to come to an agreement through the present Exchange of letters, to amend the relevant provisions of the Exchange of letters signed on 16th December 1991 to take account thereof.

Accordingly, I propose that the text of the Exchange of Letters signed on 16th December 1991 be replaced by the following text:

"I have the honour of confirming to you herewith that the Community has full understanding of the infrastructural and environmental problems the CSFR is facing in the area of transport and shall, within the framework of the financial mechanisms provided for, provide, as appropriate, financing for the improvement of land transport infrastructure, including combined transport.

In this context, I take note of the CSFR's explanation of the urgent need for financial assistance to enable CSFR land transport infrastructure to cope with the increased transit traffic in the CSFR.

The parties agree to seek, in the context of the existing Trade and Cooperation Agreement, possible ways and means to contribute to the improvement of such infrastructure in the CSFR, paying special attention to border crossings and nearby areas, combined transport, transit motorways, waterways transport and environmental aspects, without prejudice to appraisal of projects according to existing procedures. The parties further agree to start, at their earliest convenience, discussions about possible Community financial assistance.

The CSFR will consider further reducing the rate of taxable permits for Community hauliers according to progress in the above discussions."

If the foregoing is acceptable to the CSFR, I have the honour to propose that this letter, together with Your Excellency's reply to that effect, shall constitute the replacement of the Exchange of letters signed on 16th December 1991, which shall enter into force on the date of Your Excellency's reply and be applicable as from 1st March 1992.

I should be obliged if you would confirm the agreement of the Government of the CSFR to the contents of this letter.

Please accept, Sir, the assurance of my highest consideration."

I have the honour to confirm that the CSFR is in agreement with the contents of this letter.

Please accept, Sir, the assurance of my highest consideration.

For the Government of the CSFR,

Exchanges of letters between the European Economic Community ("the Community") and the CSFR on land transport infrastructure

signed in Brussels on 16th December 1991

A. Letter from the Community.

Sir,

Upon the occasion of the signature on 16th December of the Europe Agreement between the Communities and their Member States and the CSFR an Agreement in the form of an Exchange of Letters between the Community and the CSFR concerning land transport infrastructure was signed. The Europe Agreement has not yet come into force.

Since the signature of the Exchange of Letters, the CSFR increased the fee for taxable transit permits. This law had consequences on the arrangements made in December concerning transit and the parties consider it necessary to come to an agreement through the present Exchange of letters, to amend the relevant provisions of the Exchange of letters signed on 16th December 1991 to take account thereof.

Accordingly, I propose that the text of the Exchange of Letters signed on 16th December 1991 be replaced by the following text:

"I have the honour of confirming to you herewith that the Community has full understanding of the infrastructural and environmental problems the CSFR is facing in the area of transport and shall, within the framework of the financial mechanisms provided for in the Europe Agreement, provide, as appropriate, financing for the improvement of land transport infrastructure, including combined transport.

In this context, I take note of the CSFR's explanation of the urgent need for financial assistance to enable CSFR land transport infrastructure to cope with the increased transit traffic in the CSFR.

The parties agree to seek, on the basis of this Exchange of Letters and referring to Article 81 in the Europe Agreement, possible ways and means to contribute to the improvement of such infrastructure in the CSFR, paying special attention to border crossings and nearby areas, combined transport, transit motorways, waterways transport and environmental aspects, without prejudice to appraisal of projects according to existing procedures.

The parties further agree to start, at their earliest convenience, discussions about possible Community financial assistance.

The CSFR will consider further reducing the rate of taxable permits for Community hauliers according to progress in the above discussions."

If the foregoing is acceptable to the CSFR , I have the honour to propose that this letter, together with Your Excellency's reply to that effect, shall constitute the replacement of the Exchange of letters signed on 16th December 1991, which shall enter into force on the date of Your Excellency's reply and be applicable as from the entry into force of the Europe Agreement.

I should be obliged if you would confirm the agreement of the Government of the CSFR to the contents of this letter.

Please accept, Sir, the assurance of my highest consideration.

On behalf of the Community.

Exchanges of letters between the European Economic Community ("the Community") and the CSFR on land transport infrastructure

signed in Brussels on 16th December 1991

B. Letter from the CSFR.

Sir,

I have the honour to acknowledge receipt of your letter of today's date which reads as follows:

"Upon the occasion of the signature on 16th December of the Europe Agreement between the Communities and their Member States and the CSFR an Agreement in the form of an Exchange of Letters between the Community and the CSFR concerning land transport infrastructure was signed. The Europe Agreement has not yet come into force.

Since the signature of the Exchange of Letters, the CSFR increased the fee for taxable transit permits. This law had consequences on the arrangements made in December concerning transit and the parties consider it necessary to come to an agreement through the present Exchange of letters, to amend the relevant provisions of the Exchange of letters signed on 16th December 1991 to take account thereof.

Accordingly, I propose that the text of the Exchange of Letters signed on 16th December 1991 be replaced by the following text:

"I have the honour of confirming to you herewith that the Community has full understanding of the infrastructural and environmental problems the CSFR is facing in the area of transport and shall, within the framework of the financial mechanisms provided for in the Europe Agreement, provide, as appropriate, financing for the improvement of land transport infrastructure, including combined transport.

In this context, I take note of the CSFR's explanation of the urgent need for financial assistance to enable CSFR land transport infrastructure to cope with the increased transit traffic in the CSFR.

The parties agree to seek, on the basis of this Exchange of Letters and referring to Article 81 in the Europe Agreement, possible ways and means to contribute to the improvement of such infrastructure in the CSFR, paying special attention to border crossings and nearby areas, combined transport, transit motorways, waterways transport and environmental aspects, without prejudice to appraisal of projects according to existing procedures.

The parties further agree to start, at their earliest convenience, discussions about possible Community financial assistance.

The CSFR will consider further reducing the rate of taxable permits for Community hauliers according to progress in the above discussions."

If the foregoing is acceptable to the CSFR, I have the honour to propose that this letter, together with Your Excellency's reply to that effect, shall constitute the replacement of the Exchange of letters signed on 16th December 1991, which shall enter into force on the date of Your Excellency's reply and be applicable as from the entry into force of the Europe Agreement.

I should be obliged if you would confirm the agreement of the Government of the CSFR to the contents of this letter.

Please accept, Sir, the assurance of my highest consideration."

I have the honour to confirm that the CSFR is in agreement with the contents of this letter.

For the Government of the CSFR,

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