



COMMISSION OF THE EUROPEAN COMMUNITIES

Brussels, 25.09.2006  
COM(2006) 553 final

2006/0174 (ACC)

Proposal for a

**COUNCIL DECISION**

**on the conclusion of the agreement in the form of an exchange of letters  
between the European Community and the Kingdom of Norway concerning  
adjustments of trade preferences in cheese undertaken on the basis of Article 19  
of the Agreement on the European Economic Area**

(presented by the Commission)

## EXPLANATORY MEMORANDUM

1. Consultations between the European Commission and the Government of Norway were undertaken on the basis of Article 19 of the Agreement on the European Economic Area, with a view to improving bilateral trade conditions for cheese traded under respective preferential quotas, were held from 3 May to 7 June 2006.
2. For the EC, this agreement aims at increasing the volume of the existing tariff quota on imports into the Kingdom of Norway of cheese<sup>1</sup>, reflecting the increase of exports of cheeses in brine or oil within the quota. The additional volume reflects the estimated weight of brine or oil imported in combination with cheese.
3. For the Kingdom of Norway, this arrangement aims at improving export possibilities, thanks to the merge of the two existing cheese quotas<sup>1</sup>. This does not lead to an increase in the cheese concession but should help improving the utilisation of the quota.
4. The Commission therefore proposes that the Council adopt the proposal for a decision on the conclusion of these agreements in the form of an exchange of letters as set out in the annex.
5. Financial impact: no change compared to the existing exchange of letters<sup>1</sup>.

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<sup>1</sup> Exchange of letters of 20 June 2003; Council decision 2003/465/EC of 16 June 2003 (OJ L 156, 25.6.2003, p. 48).

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of the Agreement on the European Economic Area**

**(Text with EEA relevance)**

THE COUNCIL OF THE EUROPEAN UNION,

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

Having regards to the proposal from the Commission,

Whereas:

- (1) Article 19(1) of the Agreement on the European Economic Area foresees that the contracting parties shall examine any difficulties that might arise in their trade in agricultural products and shall endeavour to seek appropriate solutions.
- (2) The Kingdom of Norway and the European Community held bilateral consultations, on the basis of Article 19(1) of the Agreement on the European Economic Area, which were concluded satisfactorily on 7 June 2006.
- (3) The Agreement in question, in the form of an exchange of letters, should be approved,

HAS DECIDED AS FOLLOWS:

*Article 1*

The Agreement in the form of an exchange of letters between the European Community and the Kingdom of Norway, concerning adjustments of trade preferences in cheese undertaken on the basis of Article 19 of the Agreement on the European Economic Area, is hereby approved on behalf of the Community.

The texts of the Agreement are attached to this Decision.

*Article 2*

The President of the Council is hereby authorised to designate the person(s) empowered to sign the Agreement in order to bind the Community.

Done at Brussels,

*For the Council  
The President*

## ANNEX

### AGREEMENT

**in the form of an exchange of letters between the European Community and the Kingdom of Norway concerning adjustments of trade preferences in cheese undertaken on the basis of Article 19 of the Agreement on the European Economic Area**

#### **A. Letter from the Community**

Brussels, ..... 2006

Sir,

I have the honour to refer to the consultations between the European Community and the Kingdom of Norway on adjustments of preferential concessions on cheese, held from 3 May 2006 to 7 June 2006, undertaken on the basis of Article 19 of the Agreement on the European Economic Area.

With the aim of improving the bilateral trade conditions for cheese, the European Community and the Kingdom of Norway have agreed to adjust the current respective preferential quotas.

I hereby confirm that the results of the consultations were as follows:

1. The Kingdom of Norway will increase the existing annual duty free tariff quota on imports into the Kingdom of Norway of cheese originating in the European Community by 500 tonnes. The additional quantity will be allocated to existing importers on a pro rata basis (i.e. 12,5% increase of existing quotas). The volume of the additional tariff quota will be 250 tonnes in 2006. The additional quota will be opened as soon as possible, and no later than 1 November 2006.
2. The European Community will merge the two existing annual duty free tariff quotas on imports into the European Community of cheese originating in the Kingdom of Norway (quota numbers 09.4781 and 09.4782). The European Community will apply its normal provisions relating to the management of this merged tariff quota, under a licensing management system. The European Community will implement this merge as of 1 January 2007, at the start of the second semester (1 January 2007 – 30 June 2007) of the management year of this concession (1 July 2006 – 30 June 2007). Possible underutilisation of the existing cheese quotas during the semester 1 July 2006 – 31 December 2006 will be transferred to the semester 1 January 2007 – 30 June 2007.
3. The rules of origin for the purpose of implementing the adjustments referred to in items 1 and 2 are set out in Annex IV to the Exchange of Letters of 2 May 1992. However, paragraph 2 to Annex IV shall refer to the list in Annex II to Protocol 4 to the Agreement on the European Economic Area, to be applied according to Annex I to the same Protocol, instead of the list in the Appendix referred to in paragraph 2 of Annex IV to the Exchange of Letters of 2 May 1992.

4. The Parties agree to take the necessary steps in order to ensure that tariff quotas will be managed in such a way that imports may take place regularly and that the quantities agreed for import can effectively be imported.

This Exchange of Letters shall be approved by the Parties in accordance with their own procedures.

I have the honour to confirm that the European Community is in agreement with the content of this letter.

I should be obliged if you would confirm that the Government of the Kingdom of Norway is in agreement with the above.

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

Done at Brussels,

*On behalf of the Council of the European Union*

## **B. Letter from the Kingdom of Norway**

Sir,

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

“I have the honour to refer to the consultations between the European Community and the Kingdom of Norway on adjustments of preferential concessions on cheese, held from 3 May 2006 to 7 June 2006, undertaken on the basis of Article 19 of the Agreement on the European Economic Area.

With the aim of improving the bilateral trade conditions for cheese, the European Community and the Kingdom of Norway have agreed to adjust the current respective preferential quotas.

I hereby confirm that the results of the consultations were as follows:

1. The Kingdom of Norway will increase the existing annual duty free tariff quota on imports into the Kingdom of Norway of cheese originating in the European Community by 500 tonnes. The additional quantity will be allocated to existing importers on a pro rata basis (i.e. 12,5% increase of existing quotas). The volume of the additional tariff quota will be 250 tonnes in 2006. The additional quota will be opened as soon as possible, and no later than 1 November 2006.
2. The European Community will merge the two existing annual duty free tariff quotas on imports into the European Community of cheese originating in the Kingdom of Norway (quota numbers 09.4781 and 09.4782). The European Community will apply its normal provisions relating to the management of this merged tariff quota, under a licensing management system. The European Community will implement this merge as of 1 January 2007, at the start of the second semester (1 January 2007 – 30 June 2007) of the management year of this concession (1 July 2006 – 30 June 2007). Possible underutilisation of the existing cheese quotas during the semester 1 July 2006 – 31 December 2006 will be transferred to the semester 1 January 2007 – 30 June 2007.
3. The rules of origin for the purpose of implementing the adjustments referred to in items 1 and 2 are set out in Annex IV to the Exchange of Letters of 2 May 1992. However, paragraph 2 to Annex IV shall refer to the list in Annex II to Protocol 4 to the Agreement on the European Economic Area, to be applied according to Annex I to the same Protocol, instead of the list in the Appendix referred to in paragraph 2 of Annex IV to the Exchange of Letters of 2 May 1992.
4. The Parties agree to take the necessary steps in order to ensure that tariff quotas will be managed in such a way that imports may take place regularly and that the quantities agreed for import can effectively be imported.

This Exchange of Letters shall be approved by the Parties in accordance with their own procedures.

I have the honour to confirm that the European Community is in agreement with the content of this letter.

I should be obliged if you would confirm that the Government of the Kingdom of Norway is in agreement with the above.”

I have the honour to confirm that the Government of Norway is in agreement with the content of your letter.

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

Done at Oslo,

*For the Government of the Kingdom of Norway*