



COMMISSION OF THE EUROPEAN COMMUNITIES

Brussels, 31.1.2001
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2001/0030 (ACC)

Proposal for a

COUNCIL REGULATION

**amending Regulation (EC) No 1334/2000 with regard to the list of dual-use items and
technology when exported**

(presented by the Commission)

EXPLANATORY MEMORANDUM

Under Council Regulation (EC) No 1334/2000 of 22 June 2000, dual-use items (including software and technology) are subject to effective control when they are exported from the Community.

To ensure that such control is fully effective and complies with Member States commitments at multilateral level, according to Article 3 of Regulation (EC) No 1334/2000, an authorisation shall be required for the export of dual-use items listed in Annex I.

Article 11 of Regulation 1334/2000 provides that the lists of dual-use items set out in Annex I and Annex IV shall be updated in conformity with the relevant obligations and commitments, and any modification thereof, that each Member State has accepted as a member of the international non-proliferation regimes and export control arrangements, or by ratification of relevant international treaties.

On 2 December 2000, the Plenary meeting of the Wassenaar arrangement adopted important changes in its dual-use list, that concern microprocessors, computers, clustering technology and encryption. In order to take these changes rapidly into account, before a consolidated version of Annex I integrating all changes and amendments adopted at multilateral level in 2000 will be proposed, it seems appropriate to modify Annex I concerning five entries without delay.

Commission proposal

In the light of the above considerations it is necessary to modify Annex I as follows:

- (a) to modify Category 3 - Electronics, entry 3A001.a.3.a., in order to raise the control parameter for these microprocessors from 3,500 million theoretical operations per second (Mtops) to 6,500 Mtops;
- (b) to modify Category 4 - Computers, entry 4A003.b., in order to raise the control parameter for these computers from 6,500 million theoretical operations per second (Mtops) to 28,000 Mtops;
- (c) to modify category 4 - Computers, entry 4A003.d., in order to raise the control parameter for these graphics accelerators and graphics coprocessors exceeding a "three dimensional Vector Rate" from 3,000,000 to 200,000,000;
- (d) to modify Category 4 - Computers, entry 4A003.g., in order to raise the control parameter for these types of equipment from 80 Mbyte/s to 1.25 Gbyte/s;
- (e) to modify Category 5-Part 2 - Information Security, Note 3: Cryptography Note, to delete the content of paragraph d. , and modify references contained in paragraph e. in order to make them coherent with the deletion of previous paragraph d.

Proposal for a

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amending Regulation (EC) No 1334/2000 with regard to the list of controlled dual-use items and technology when exported

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community, and in particular Article 133 thereof,

Having regard to the proposal from the Commission¹,

Whereas:

- (1) Under Council Regulation (EC) No 1334/2000 of 22 June 2000 setting up a Community regime for the control of exports of dual-use items and technology,² dual-use items (including software and technology) should be subject to effective control when they are exported from the Community.
- (2) In order to enable the Member States and the Community to comply with their international commitments, Annex I of Regulation (EC) 1334/2000 establishes the common list of dual-use items and technology referred to in Article 3 of that Regulation, that implements internationally agreed dual-use controls, including the Wassenaar arrangement, the Missile Technology Control Regime (MTCR), the Nuclear Suppliers Group (NSG), the Australia Group and the Chemical Weapons Convention (CWC).
- (3) Article 11 of Regulation (EC) 1334/2000 establishes that Annex I shall be updated in conformity with the relevant obligations and commitments, and any modifications thereof, that each Member State has accepted as a member of the international non-proliferation regimes and export control arrangements, or by ratification of relevant international treaties.
- (4) The Wassenaar arrangement Plenary decided on 2 December 2000 to modify control parameters in Categories 3, 4 and 5-Part 2, which are included in Annex I of Regulation 1334/2000. These amendments represent significant liberalisation of control parameters, that should be implemented at Community level within a reasonable time scale in order to facilitate exports for which export controls are no longer considered necessary at multilateral level.
- (5) Regulation (EC) No 1334/2000 should be amended accordingly,

¹ OJ C , p. .

² OJ L 159, 30.6.2000, p. 1.

HAS ADOPTED THIS REGULATION:

Article 1

Annex I of Regulation (EC) No 1334/2000 is amended as follows:

- 1) Category 3 - Electronics, entry 3A001.a.3.a., "3,500" is replaced by "6,500".
- 2) Category 4 - Computers, entry 4A003.b., "6,500" is replaced by "28,000".
- 3) Category 4 - Computers, entry 4A003.d., "3,000,000" is replaced by "200,000,000".
- 4) Category 4 - Computers, entry 4A003.g., "80 Mbyte/s" is replaced by "1.25 Gbyte/s".
- 5) Category 5-Part 2 - Information Security, Note 3: Cryptography Note, is amended as follows :
 - a) *paragraph d. is suppressed.*
 - b) paragraph e. is renumbered as paragraph d., and "described in paragraphs a. to d. " is replaced by "described in paragraphs a. to c.".

Article 2

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

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

Done at Brussels,

*For the Council
The President*

FINANCIAL STATEMENT

1. **TITLE OF OPERATION: Proposal for a Council Regulation (EC) amending Regulation (EC) N° 1334/2000 with regard to the list of dual-use items and technology when exported**
2. **BUDGET HEADING(S) INVOLVED: A-7030**
3. **LEGAL BASIS : ARTICLE 133 OF THE EC TREATY**
4. **DESCRIPTION OF OPERATION :**
 - 4.1 **General objective : TECHNICAL AMENDMENT OF ANNEX I TO COUNCIL REGULATION (EC) No 1334/2000 (DUAL-USE)**
 - 4.2 **Period covered and arrangement for renewal.**
Indefinite
5. **CLASSIFICATION OF EXPENDITURE OR REVENUE : NOT APPLICABLE**
6. **TYPE OF EXPENDITURE OR REVENUE : NOT APPLICABLE**
7. **FINANCIAL IMPACT : NOT APPLICABLE**
8. **FRAUD PREVENTION MEASURES : NOT APPLICABLE**
9. **ELEMENTS OF COST-EFFECTIVENESS ANALYSIS : NOT APPLICABLE**
10. **ADMINISTRATIVE EXPENDITURE (SECTION III, PART A OF THE BUDGET)**

This section of the financial statement must be sent to DGs XIX and IX; DG IX will then forward it to DG XIX with its opinion.

Actual mobilisation of the necessary administrative resources will depend on the Commission's annual decision on the allocation of resources, taking into account the number of staff and additional amounts authorised by the budget authority.

10.1 Effect on the number of posts

Type of post		Staff to be assigned to managing the operation		Source		Duration
		Permanent posts	Temporary posts	Existing resources in the DG or department concerned	Additional resources	
Officials or temporary staff	A	1		1		Indefinite
Other resources		non				
Total		1		1		

If additional resources are required, indicate the pace at which they will have to be made available.

10.2 Overall financial impact of additional human resources

(EUR)

	Amounts	Method of calculation
Officials	108 000 Euros	1 x 108 000 Euros
Temporary staff	No	
Other resources (indicate budget heading)	No	
Total	108 000 Euros	

The amounts given must express the total cost of additional posts for the entire duration of the operation, if this duration is predetermined, or for 12 months if it is indefinite.

10.3 Increase in other administrative expenditure as a result of the operation

(EUR)

Budget heading	Amounts	Method of calculation
A-7030 (meetings)	39 000 Euros	Four one-day meetings per year. Cost of one expert per meeting = €650. Average cost of one national expert per year = 4x15x650 = €39 000
Total	39 000 Euros	

The amounts given must correspond to the total expenditure arising from the operation if its duration is predetermined or expenditure for 12 months if it is indefinite.