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⁽¹⁾ Text with EEA relevance

I

(Information)

COMMISSION

Euro exchange rates ⁽¹⁾

5 December 2003

(2003/C 296/01)

1 euro =

Currency	Exchange rate	Currency	Exchange rate		
USD	US dollar	1,2087	LVL	Latvian lats	0,6576
JPY	Japanese yen	130,79	MTL	Maltese lira	0,4298
DKK	Danish krone	7,4415	PLN	Polish zloty	4,6366
GBP	Pound sterling	0,7021	ROL	Romanian leu	40 390
SEK	Swedish krona	8,9523	SIT	Slovenian tolar	236,515
CHF	Swiss franc	1,5577	SKK	Slovak koruna	41,02
ISK	Iceland króna	89,32	TRL	Turkish lira	1 753 921
NOK	Norwegian krone	8,08	AUD	Australian dollar	1,6455
BGN	Bulgarian lev	1,9521	CAD	Canadian dollar	1,5772
CYP	Cyprus pound	0,5836	HKD	Hong Kong dollar	9,3839
CZK	Czech koruna	32,352	NZD	New Zealand dollar	1,8772
EEK	Estonian kroon	15,6466	SGD	Singapore dollar	2,0743
HUF	Hungarian forint	266,45	KRW	South Korean won	1 440,77
LTL	Lithuanian litas	3,4532	ZAR	South African rand	7,7216

⁽¹⁾ Source: reference exchange rate published by the ECB.

Authorisation for State aid pursuant to Articles 87 and 88 of the EC Treaty**Cases where the Commission raises no objections**

(2003/C 296/02)

Date of adoption of the decision: 11.11.2003**Member State:** Germany**Aid No:** N 436/03**Title:** Programme of aid for agricultural holdings and fish farms whose existence is under threat as a result of the extremely dry and hot weather in 2003**Objective:** To safeguard the existence of holdings affected by the extremely dry and hot weather in 2003. The aid will compensate the holdings for losses incurred as a result of the dry weather**Legal basis:** Verwaltungsvereinbarung zwischen Bund und Ländern über die Beteiligung des Bundes an Hilfsprogrammen der Länder für landwirtschaftliche Unternehmen und Betriebe der Aquakultur, die durch die Folgen der extremen Trockenheit oder Hitze 2003 in ihrer Existenz gefährdet sind**Budget:** EUR 90 million**Aid intensity or amount:** The aid is to be paid in the form of direct grants or interest subsidies for capital market loans. The aid intensity is variable**Duration:** One-off aid

The authentic text(s) of the decision, from which all confidential information has been removed, can be found at

http://europa.eu.int/comm/secretariat_general/sgb/state_aids

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Date of adoption of the decision: 11.11.2003**Member State:** Italy**Aid No:** N 381/03**Title:** Sectoral contract arrangements**Objective:** Encourage the creation of agricultural supply chains**Legal basis:** Decreto del Ministro delle politiche agricole e forestali recante criteri, modalità e procedure per l'attuazione dei contratti di filiera, in attuazione della legge 27 dicembre 2002, n. 289, articolo 66, commi 1 e 2**Budget:** EUR 300 million for 2003-2005**Aid intensity or amount:**

Investment aid to farmers: 40 to 75 %

Aid for the processing/marketing of agricultural products: 40 or 50 %.

Start-up or expansion aid: 100 % the first year, falling to zero by means of annual reductions of 20 percentage points.

Aid for carrying out quality checks: 100 % the first year, falling to zero by means of annual reductions of about 16.7 percentage points.

Aid for testing organic products and verifying mandatory labelling systems: 100 %.

Technical assistance for promoting the marketing of quality products: up to EUR 100 000 per recipient or three-year period, or 50 % of expenditure in the case of SMEs, whichever is higher.

Technical assistance except for promoting the marketing of quality products: up to EUR 100 000 per recipient or three-year period, or 50 % of expenditure for SMEs, whichever is higher.

Aid for advertising: 50 % (75 % for products of SMEs situated in Objective 1 regions).

Research aid: 50 % or 100 %

Duration: Unspecified

The authentic text(s) of the decision, from which all confidential information has been removed, can be found at

http://europa.eu.int/comm/secretariat_general/sgb/state_aids

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Date of adoption of the decision: 11.11.2003**Member State:** Germany (Saxony)**Aid No:** N 265/03**Title:** Individual aid for Leppersdorf dairy**Objective:** To finance investments in processing and marketing milk and milk products.

Legal basis: Investitionszulagengesetz

Budget: EUR 40 035 579

Aid intensity or amount: The aid will be granted in the form of direct subsidies. The maximum aid intensity is 22,8 % of eligible expenditure

Duration: Until 31 December 2004

The authentic text(s) of the decision, from which all confidential information has been removed, can be found at

http://europa.eu.int/comm/secretariat_general/sgb/state_aids

Date of adoption of the decision: 11.11.2003

Member State: Austria (Upper Austria)

Aid No: N 203/03

Title: Amendment of the grassland protection program Upper Austria

Objective: Preservation of field forage cultivation. The difficult income situation of milk and beef producers have led to a situation where grass land with field forage growing is replaced by other cultures of higher yields, especially by silage maize and cereals. The environmental consequences of such development are increased erosion, impoverishment in plant and animal species and the use of pesticides. The danger of erosion is particularly associated with the cultivation of silage maize, which is the most common plant replacing field forage growing. In order to encourage farmers to continue field forage growing support could be granted for commitments concerning field forage growing of grass ley (Kleegras), clover (Klee), alfalfa (Luzerne), forage grasses (Futtergräser) or seeded pastures (Wechselwiesen)

Legal basis: Richtlinien des Landes Oberösterreich für die Gewährung von Beihilfen nach dem Oberösterreichischen Grünlandsicherungsprogramm mit der Programmergänzung „Feldfutterbau“ ab 2003

Budget: The annual costs of the amendment have been estimated at 1,42 Mio EUR

Aid intensity or amount: The amount of aid is 37 EUR per ha field forage area. It appears from the examples provided by

the Austrian authorities that the aid intensity varies between ca 23 and 36 %

Duration: Unlimited

The authentic text(s) of the decision, from which all confidential information has been removed, can be found at

http://europa.eu.int/comm/secretariat_general/sgb/state_aids

Date of adoption of the decision: 11.11.2003

Member State: Finland

Aid No: N 138/03

Title: Aid for removing tree stumps

Objective: The purpose of the measure is to provide aid for mechanical prevention against annosus root rot (*Heterobasidion annosum*). The notified aid measure partly covers the cost of mechanically removing the tree stumps in regeneration felling (clear cutting in infected areas) instead of treating the stumps chemically. The aid is limited to the amount that the treating of the tree stumps with pesticides would cost (the cost of the prevention chemicals and of their application)

Legal basis:

- Maa- ja metsätalousministeriön asetus juurikäävän torjunnasta
- Jord- och skogsbrukministeriets bestämmelse om förebyggande av rotticka

Budget: Approximately EUR 200 000

Aid intensity or amount: EUR 0,44 per solid cubic meter of harvested stock

Duration: Unlimited

The authentic text(s) of the decision, from which all confidential information has been removed, can be found at

http://europa.eu.int/comm/secretariat_general/sgb/state_aids

Notice concerning the anti-dumping duty in force in respect of imports into the Community of certain seamless pipes and tubes, of iron and non-alloy steel originating, inter alia, in the Czech Republic: modification of the name of a company subject to an individual anti-dumping duty

(2003/C 296/03)

Imports of seamless pipes and tubes, of iron and non-alloy steel originating, inter alia, in the Czech Republic are subject to a definitive anti-dumping duty, imposed by Council Regulation (EC) No 2320/97 ⁽¹⁾.

Nova Hut a.s., a company located in the Czech Republic, whose exports of certain seamless pipes and tubes to the Community are subject to an individual anti-dumping duty of 5.1 % by the aforementioned Regulation, has informed the Commission that it has changed its company name as of 11th April 2003 into Ispat Nova Hut a.s.

The company has asked the Commission to confirm that this change of company name does not affect the right of the company to benefit from the individual duty rate applied to the company under its former name of Nova Hut a.s.

The Commission has examined the information supplied, which demonstrates that all the company's activities linked to the manufacturing, sales and exports of seamless pipes and tubes, of iron and non-alloy steel are unaffected by the change of name. The Commission therefore concludes that the change of name in no way affects the findings of Council Regulation (EC) No 2320/97. Therefore, the reference to Nova Hut a.s. should be read as Ispat Nova Hut a.s. in Article 1(2) of Council Regulation (EC) No 2320/97.

The Taric additional code 8463 previously attributed to Nova Hut a.s. shall apply to Ispat Nova Hut a.s.

⁽¹⁾ OJ L 322, 25.11.1997, p. 1.

EUROPEAN CENTRAL BANK

OPINION OF THE EUROPEAN CENTRAL BANK

of 1 December 2003

at the request of the Council of the European Union concerning a proposal for a regulation of the European Parliament and of the Council on Community statistics concerning balance of payments, international trade in services and foreign direct investment (COM(2003) 507 final)

(CON/2003/26)

(2003/C 296/04)

1. On 22 September 2003 the European Central Bank (ECB) received a request from the Council of the European Union for an opinion on a proposal for a regulation of the European Parliament and of the Council on Community statistics concerning balance of payments, international trade in services and foreign direct investment (hereinafter the 'proposed regulation').

Member States in compiling their balance of payments, international trade in services and foreign direct investment statistics and by specifying their obligations concerning the data to be transmitted.
2. The ECB's competence to deliver an opinion is based on the first indent of Article 105(4) of the Treaty establishing the European Community. In accordance with the first sentence of Article 17.5 of the Rules of Procedure of the European Central Bank, the Governing Council of the ECB has adopted this opinion.
3. The objective of the proposed regulation is to provide a legal basis for the collection and compilation of balance of payments, international trade in services and foreign direct investment statistics within the European Union (EU). The Commission needs these statistics in order to prepare, pursuant to Article 99(3) of the Treaty, reports to the Council which enable it to monitor economic developments in each Member State and in the Community as well as the consistency of economic policies with the broad guidelines referred to in Article 99(2). Moreover, under Article 133(2) and (3) of the Treaty, the Commission must submit proposals to the Council for implementing the common commercial policy and is entrusted with the task of conducting trade negotiations, following authorisation from the Council. In order to accomplish these tasks, the Commission needs relevant and good quality statistical information. In addition, such information is needed for the implementation and the review of trade agreements, including the General Agreement on Trade in Services (GATS) and the Trade-Related Aspects of Intellectual Property Rights (TRIPs) Agreement, as well as for the current and future negotiations on further agreements.
4. The proposed regulation establishes a common framework for the systematic production of Community statistics by providing common definitions that should be applied by
5. The proposed regulation also defines standards for the dissemination of Community statistics by the Commission. Finally, it sets up the Balance of Payments Committee as a new forum for cooperation between Member States, the Commission and the ECB, as an observer, concerning statistics on balance of payments, international trade in services and foreign direct investment.
6. The ECB welcomes the proposed regulation. In accordance with the Memorandum of Understanding between the Directorate General Statistics of the ECB (DG Statistics) and the Statistical Office of the European Communities (Eurostat) of 10 March 2003, the ECB, and in particular its DG Statistics, stands ready to cooperate with Eurostat regarding the compilation of the financial account and related income of the balance of payments of the EU, given its experience in the compilation of the balance of payments of the euro area.
7. Recital 7 of the proposed regulation mentions that Regulation (EC) No 2560/2001 of the European Parliament and of the Council of 19 December 2001 on cross-border payments in euro ⁽¹⁾ has a direct impact on the collection of statistics. In particular, Article 8 thereof refers to the possibility of raising the threshold for reporting cross-border payments by banks from EUR 12 500 to EUR 50 000. This raises some concerns, in particular because such a rise of the threshold may affect the quality of the balance of payments of EU Member States and countries that will become EU Member States, for which balance of payments statistics are important in assessing whether the convergence criteria are met.

⁽¹⁾ OJ L 344, 28.12.2001, p. 13.

8. The ECB particularly welcomes Article 8 of the proposed regulation concerning the transmission and exchange of confidential data for statistical purposes. Indeed, Article 8 may help to overcome recurrent difficulties concerning the exchange of confidential data. The ECB understands that the Member States' work on the data for the Community aggregate will also serve to enhance the quality of the euro area aggregate.
 9. The ECB also welcomes Article 11 which gives it observer status in the Balance of Payments Committee. The ECB's participation in this Committee will help, albeit to an extent limited by the observer status, to ensure consistency in the statistical reporting requirements imposed on Member States and adherence to international statistical standards. It will also increase the efficiency of the compilation systems for balance of payments and related statistics and foster the quality of data and methodological notes (metadata).
 10. It is the ECB's understanding that the proposed regulation does not require data on reserve assets from Member States, there being no EU reserve assets as such. However, if data on reserve assets were deemed to be required for statistical purposes in the future (e.g. to close, in accounting terms, the EU's balance of payments statement and thus make an assessment of the quality of the data easier), the ECB's DG Statistics, in liaison with the European System of Central Banks (ESCB), would be able to provide expert knowledge regarding the methodology for and compilation of this item. In this case, it is also understood that the non-participating Member States would have to provide the ECB with the relevant data (i.e. claims on non-EU residents in currencies other than the euro or any other currency being legal tender within the EU).
 11. The ECB shares the interest, which the European Parliament recently expressed, in the monitoring of the international role of the euro⁽¹⁾. The ESCB will, in the coming years, investigate to what extent information on a currency breakdown — showing at least the breakdown between the euro and other currencies — with regard to transactions in goods and services is needed and how such information could be collected in a cost-effective way. Depending on the results of the investigation this issue may, in due course, be discussed within the relevant committees, with a view to considering an appropriate amendment to the proposed regulation.
 12. This opinion will be published in the *Official Journal of the European Union*.
- Done at Frankfurt am Main on 1 December 2003.
- The President of the ECB*
Jean-Claude TRICHET

⁽¹⁾ Reference is made, in particular, to the European Parliament's resolution on the international role of the euro zone and the first assessment of the introduction of banknotes and coins of 3 July 2003 (COM(2002) 332 — 2002/2259(INI)).

III

(Notices)

COMMISSION

Notice of call for proposals EuropeAid/117490/C/G**Programme on Environment in Developing Countries****Programme on Tropical Forests and other Forests in Developing Countries**

(2003/C 296/05)

The European Commission is seeking proposals for projects in Developing Countries with financial assistance from the 'Programme on Environment in Developing Countries' and the 'Programme on Tropical Forests and other Forests in Developing Countries' of the European Communities. The full guidelines for applicants are available for consultation at the:

European Commission
AIDCO/F6
Attn. Pascale Noël
Office: J-54 1/140
Rue de Genève 1-3-5
B-1140 Brussels

and on the following internet site: <http://europa.eu.int/comm/europeaid/cgi/frame12.pl>

The deadline for submission of proposals is **9 March 2004 at 16.00**.

Operation of scheduled air service**Invitation to tender issued by the United Kingdom under Article 4(1)(d) Council Regulation (EEC) No 2408/92 in respect of the operation of a scheduled air service between Benbecula and Barra (Scotland)**

(2003/C 296/06)

(Text with EEA relevance)

- 1. Introduction:** In pursuance of Article 4(1)(a) of Regulation (EEC) No 2408/92 of 23.07.1992 on access for Community air carriers to intra-Community air routes, the United Kingdom has imposed a public service obligation (PSO) in respect of a scheduled air service operated between Benbecula and Barra. The standards required by this PSO were published in the *Official Journal of the European Communities* No C 53/06 of 4.3.1995, as modified in the *Official Journal of the European Communities* No C 143/04 of 08.05.98, No C 154/04 of 29.05.01, No C 310/10 of 13.12.02 and No C 295 of 5.12.2003.

If, by 1.3.2004 no air carrier has commenced or is about to commence a scheduled air service between Benbecula and Barra in accordance with the PSO imposed, as

amended, and without requesting compensation, the United Kingdom has decided, in accordance with the procedure laid down in Article 4(1)(d) of the above-mentioned Regulation, to continue to limit access to this route to a single air carrier and to offer the right to operate such a service from 1.4.2004 by public tender.

- 2. Object of invitation to tender:** Operation from 1.4.2004 of a scheduled air service between Benbecula and Barra in accordance with the PSO imposed on the route and published in the *Official Journal of the European Communities* No C 53/06 of 4.3.1995, as modified in the *Official Journal of the European Communities* No C 143/04 of 8.5.1998, No C 154/04 of 29.5.2001, No C 310/10 of 13.12.2002 and No C 295 of 5.12.2003.

3. **Participation:** Participation is open to all air carriers holding a valid operating licence issued by a Member State in accordance with Council Regulation (EEC) No 2407/92 on 23.7.1992 on licensing of air carriers. The service will operate under the Civil Aviation Authority (CAA) regulatory regime.
4. **Tender Procedure:** This invitation to tender is subject to the provisions of Article 4(1) (d), (e), (f), (g), (h), and (i) of Regulation (EEC) No 2408/92.
5. **Tender dossier/qualifications etc.:** The complete tender documentation, including form of tender, specification, conditions of contract/schedule to the conditions of contract, as well as the text of the PSO published in the *Official Journal of the European Communities* No C 53/06 of 04.03.1995, as modified in the *Official Journal of the European Communities* No C 143/04 of 08.05.1998, No C 154/04 of 29.5.2001, No C 310/10 of 13.12.2002 and No C 295 of 5.12.2003 may be obtained free of charge from the awarding authority as follows:

Comhairle nan Eilean Siar, Council Offices, Sandwick Road, UK-Stornoway HS1 2BW, Isle of Lewis. Att: Murdo J. Gray, Deputy Director of Technical Services. Tel.: 0044 1851 709403. Fax: +0044 1851 709482..

Airlines will be required to include in their tender documents, evidence of their financial standing (an annual report and audited accounts for the past 3 years must be provided and must include turnover and pre-tax profit for the past 3 years), previous experience and technical capability to provide the service described. The awarding authority reserves the right to solicit further information about any applicant's financial and technical resources and abilities.

Tenders should be priced in sterling and all supporting documents must be in English. The contract shall be considered as a contract made under Scottish law and subject to the exclusive jurisdiction of the Scottish courts.

6. **Financial Compensation:** The tenders submitted should indicate the amount required by way of grant for operating the service for the period specified in 7 below from the scheduled starting date (with an analysis for each year). The grant should be calculated in accordance with the specification. The maximum limit finally granted may be revised only in the event of an unforeseen change in the operating conditions.

The contract will be awarded by Comhairle nan Eilean Siar. All payments under the contract will be in sterling.

7. **Period of validity, amendment and termination of the contract:** A two year contract commencing 1.4.2004 will terminate on 31.3.2006. Any amendment or termination of the contract will be in accordance with the conditions of contract. Variations in the service will be permitted only with the agreement of the awarding authority.
8. **Penalties in the event of the carrier failing to comply with the contract:** In the event of the carrier failing to operate a flight for any reason then, subject as aftermentioned, Comhairle nan Eilean Siar may reduce the grant on a pro rata basis for each occasion on which a flight is not operated provided that Comhairle nan Eilean Siar shall not make any such reduction in the grant where the failure to operate the flight is as a consequence of any of the following, and the appropriate occurrence has not arisen as a consequence of the acts or omissions of the carrier:
- weather/tidal conditions,
 - closure of the airports,
 - security reasons,
 - strikes,
 - reasons of safety.
- An explanation from the carrier for such non-operation is also required in accordance with the conditions of contract.
9. **Deadline for submission of bids:** 1 month after the date of publication of this notice.
10. **Application procedure:** Tenders must be sent to the address at 5 above. Persons admitted to open tenders are designated staff from the Technical Services and the Corporate Services Departments of Comhairle nan Eilean Siar.
11. **Validity of invitation to tender:** In accordance with Article 4(1)(d) of Regulation (EEC) No 2408/92, the validity of this invitation to tender is subject to the condition that no Community air carrier presents, by 1.3.2004, a programme for operating the route in question from 1.4.2004 or before that date, in accordance with the PSO imposed, as amended, without receiving any subsidy.

Operation of scheduled air services

Invitation to tender issued by the United Kingdom under Article 4(1)(d) of Council Regulation (EEC) No 2408/92 in respect of the operation of the scheduled air services between the Orkney Mainland (Kirkwall) and the Islands of Papa Westray, North Ronaldsay, Westray, Sanday, Stronsay and Eday

(2003/C 296/07)

(Text with EEA relevance)

Introduction

In pursuance of Article 4(1)(a) of Regulation (EEC) No 2408/92 of 23.7.1992 on access for Community air carriers to intra-Community air routes, the United Kingdom has imposed public service obligations (PSOs) in respect of scheduled air services operated between the Orkney Mainland (Kirkwall) to Papa Westray, North Ronaldsay, Westray, Sanday, Stronsay and Eday. The standards required by the PSOs for Papa Westray and North Ronaldsay were published in the *Official Journal of the European Union* No C 394/04 of 30.12.1997, as modified in the *Official Journal of the European Union* No C 369/2 of 22.12.2000, No C 363/06 of 19 December 2001 and No C 295 of 5.12.2003. The standards required by the PSOs for Westray, Sanday, Stronsay and Eday were published in the *Official Journal of the European Union* No C 363/05 of 19 December 2001, as modified in the *Official Journal of the European Union* No C 295 of 5.12.2003.

In so far as by 1.3.2004 no air carrier has commenced or is about to commence scheduled air services between the Orkney Mainland (Kirkwall) and the Islands of Papa Westray, North Ronaldsay, Westray, Sanday, Stronsay and Eday in accordance with the PSOs imposed and without requesting financial compensation, the United Kingdom has decided, in accordance with procedures laid down in Article 4(1)(d) of the above-mentioned Regulation, to limit access to these routes to a single air carrier and to offer the right to operate such services from 1.4.2004 by public tender.

The contract shall be awarded by Orkney Islands Council; hereinafter referred to as the 'Awarding Authority'.

- 1. Object of invitation to tender:** Operation from 1.4.2004 of scheduled air services between the Orkney Mainland (Kirkwall) and the Islands of Papa Westray, North Ronaldsay, Westray, Sanday, Stronsay and Eday in accordance with the PSOs imposed on the routes. The Papa Westray and North Ronaldsay PSOs were published in the *Official Journal of the European Union* No C 394/04 of 30.12.1997, as modified in the *Official Journal of the European Union* No C 369/2 of 22.12.2000, No C 363/06 of 19 December 2001 and No C 295 of 5.12.2003. The Westray, Sanday, Stronsay and Eday PSOs were published in the *Official Journal of the European Union* No C 363/05 of 19 December 2001, as modified in the *Official Journal of the European Union* No C 295 of 5.12.2003.

- 2. Participation:** Participation is open to all air carriers holding a valid operating licence issued by a Member State in accordance with Council Regulation (EEC) NO 2407/92 on 23.7.1992 on licensing of air carriers. The services will operate under the Civil Aviation Authority (CAA) regulatory regime.
- 3. Tender Procedure:** This invitation to tender is subject to the provisions of Article 4(1) (d), (e), (f), (g), (h) and (i) of Regulation (EEC) No 2408/92.
- 4. Tender Dossier/Qualifications etc:** The complete tender documentation, including form of tender, specification, conditions of contract/schedule to the conditions of contract, as well as the text of the original PSOs published in the *Official Journal of the European Union* No C 394/04 of 30.12.1997, as modified in the *Official Journal of the European Union* No C 369/2 of 22.12.2000, No C 363/06 of 19 December 2001 and No C 295 of 5.12.2003 for Papa Westray and North Ronaldsay; and in the *Official Journal of the European Union* No C 363/05 of 19 December 2001, as modified in the *Official Journal of the European Union* No C 295 of 5.12.2003 for Westray, Sanday, Stronsay and Eday, may be obtained free of charge from the Awarding Authority as follows:

Orkney Islands Council, Council Offices, School Place, UK-Kirkwall KW15 1NY, Orkney, Scotland. Att: Jeremy Baster, Director of Development and Protective Services). Tel.: 0044 1856 873535. Fax: 0044 1856 875846.

Airlines will be required to include in their tender documents, evidence of their financial standing (an annual report and audited accounts for the past 3 years must be provided and must include turnover and pre-tax profit for the past 3 years), previous experience and technical capability to provide the services described. The Awarding Authority reserves the right to solicit further information about any applicant's financial and technical resources and abilities.

Tenders should be priced in sterling and all supporting documents must be in English. The contract will be considered as a contract made under Scottish Law and subject to the exclusive jurisdiction of the Scottish courts.

5. **Financial compensation:** The tenders submitted should indicate the amount required by way of grant for operating the services for one year from the scheduled starting date. The grant should be calculated in accordance with the specification. The maximum limit finally granted may be revised only in the event of an unforeseen change in the operating conditions.

The contract will be awarded by Orkney Islands Council. All payments under the contract will be in sterling.

6. **Period of validity, amendment and termination of the contract:** A one-year contract for the 6 routes will commence on 1.4.2004 and will terminate on 31.3.2005. Any amendment or termination of the contract will be in accordance with the conditions of contract. Variations in the services will be permitted only with the agreement of the Awarding Authority.

7. **Penalties in the event of the carrier failing to comply with the contract:** In the event of the carrier failing to operate a flight for any reason then, subject as aftermentioned, the Awarding Authority may reduce the grant on a pro rata basis for each occasion on which a flight is not operated provided that the Awarding Authority shall not make any such reduction in the grant where the failure to operate the flights is as a consequence of any of the following, and the appropriate occurrence has not arisen as a consequence of the acts or omissions of the carrier:

- weather;
- closure of the airports;
- security reasons;

- strikes;
- reasons of safety.

An explanation from the carrier for such non-operation is also required in accordance with the conditions of contract.

8. **Deadline for submission of bids:** 1 month after the date of publication of this notice.
9. **Application procedure:** Tenders must be sent to the following address in a sealed envelope with the tender documentation sealed in the tender envelope provided:

Chief Executive, Orkney Islands Council, Council Offices, School Place, Kirkwall, Orkney, Scotland KW15 1NY.

Persons admitted to open tenders are designated staff from the Awarding Authority.

10. **Validity of invitation to tender:** In accordance with Article 4(1)(d) of Regulation (EEC) No 2408/92, the validity of this invitation to tender is subject to the condition that no Community air carrier presents, by 1.3.2004, a programme for operating the routes in question from 1.4.2004 or before that date, in accordance with the PSOs imposed, as amended for Papa Westray, North Ronaldsay, Westray, Sanday, Stronsay and Eday, without receiving subsidy. The Awarding Authority reserves the discretion to refuse to accept any tender if, on appropriate grounds, none is considered suitable for acceptance.
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