

No. 429

**ICELAND
and
INTERNATIONAL CIVIL AVIATION ORGANIZATION**

Agreement on air navigation services in Iceland (with annexes). Signed at Montreal, on 16 September 1948

English, French and Spanish official texts communicated by the Secretary-General of the International Civil Aviation Organization. The registration took place on 13 April 1949.

**ISLANDE
et
ORGANISATION DE L'AVIATION CIVILE
INTERNATIONALE**

Accord sur les services de navigation aérienne en Islande (avec annexes). Signé à Montréal, le 16 septembre 1948

Textes officiels anglais, français et espagnol communiqués par le Secrétaire général de l'Organisation de l'aviation civile internationale. L'enregistrement a eu lieu le 13 avril 1949.

No. 429. AGREEMENT¹ BETWEEN THE GOVERNMENT OF ICELAND AND THE COUNCIL OF THE INTERNATIONAL CIVIL AVIATION ORGANIZATION ON AIR NAVIGATION SERVICES IN ICELAND. SIGNED AT MONTREAL, ON 16 SEPTEMBER 1948

WHEREAS the Final Act of the Conference on Air Navigation Services in Iceland has been signed on behalf of certain interested States, members of the International Civil Aviation Organization, by their representatives; and

WHEREAS the Council of the International Civil Aviation Organization, at its meeting held 26 June 1948, accepted the recommendations of the said Final Act and resolved that action would be taken in accordance therewith and further decided, in accordance with Chapter XV of the Convention on International Civil Aviation,² to enter into an agreement with the Government of Iceland to give effect to the purposes of the said Final Act;

NOW THEREFORE the Council of the International Civil Aviation Organization and the Government of Iceland have mutually agreed to the provisions, terms and conditions hereinafter set forth:—

Article 1

For the purposes of this Agreement, the expression:

- (a) "Organization" means the International Civil Aviation Organization;
- (b) "Council" means the Council of the International Civil Aviation Organization;
- (c) "Iceland" means the Government of Iceland;
- (d) "States" means the Governments of
 - Belgium,
 - Canada,
 - Denmark,

¹ Came into force on 16 September 1948, as from the date of signature, in accordance with article 13.

² United Nations, *Treaty Series*, Volume 15, page 295, and Volume 26, page 420.

France,
The Netherlands,
Norway,
Sweden,
United Kingdom, and
United States,

together with any other State which may become a party to the Agreement, as set out in the Final Act, pursuant to which this Agreement has been entered into;

- (e) "Final Act" means the Final Act of the Conference on Air Navigation Services in Iceland, dated 26 June 1948 and annexed hereto for information as Appendix A;
- (f) "Services" means the Air Traffic Control, Communications and Meteorological Services in Iceland which are the subject of this Agreement.

Article 2

Iceland shall (a) operate and maintain the Services as set forth in Schedule A of Annex I hereto, (b) provide as soon as possible and operate and maintain the new Services as set forth in Schedule B of Annex I hereto, and (c) provide, operate and maintain such additional services as may be mutually agreed upon by Iceland and the Council.

Article 3

(a) Iceland shall operate and maintain the Services, either presently existing or to be provided, without interruption, in an efficient manner and with the greatest degree of economy consistent therewith and, so far as practicable, in accordance with any applicable Standards and recommended Practices, and with any applicable procedures adopted or recommended by the Council.

(b) The manner of taking meteorological observations and of collecting reports and transmitting them to main meteorological offices or forecasting centres shall also so far as practicable, be in accordance with the appropriate procedures and specifications promulgated by the International Meteorological Organization.

(c) The Council will notify the International Meteorological Organization in the event that the surface or upper air observational program for general meteorological service provided for in this Agreement is to be substantially curtailed.

(d) Iceland shall notify the Council immediately of any emergency necessitating any temporary change or curtailment of the Services, or any of them, and Iceland and the Council shall thereupon consult on the measures to be taken to minimize any adverse effect of such change or curtailment.

Article 4

(a) The Council will generally supervise the operation of the Services and may at any time arrange for the inspection of any of the Services, including any equipment used in connection therewith.

(b) Iceland shall, on request from the Council, and to the extent practicable furnish special or recurrent reports, prepared in accordance with the Council's directions, on the operation of the Services.

(c) The Council shall, upon request from Iceland, provide, to the fullest practicable extent, for such advice as Iceland may reasonably require in regard to the discharge of its obligations under this Agreement.

(d) In the event of any failure by Iceland efficiently to operate and maintain the Services, there shall be consultation between Iceland and the Council for the purpose of reaching agreement in regard to the adoption of remedial measures.

Article 5

(a) The Council shall pay, or cause to be paid to Iceland, at the earliest possible date, the sum of 7,500,000 Icelandic kronur as partial reimbursement to Iceland of the expenses incurred in the uninterrupted provision of the Services during the period ending 31 December 1948, less any sums already received by Iceland on account of such Services.

(b) Commencing with the year 1949, the Council shall pay or cause to be paid to Iceland 82.5 per cent of the actual approved costs of providing, operating and maintaining the Services, the items of cost to be as set forth in Annexes II and III hereto. Iceland shall bear the remaining 17.5 per cent of such costs. Payments by the Council to Iceland shall be made in respect of each quarter not later than the first day of the second month in such quarter and shall be based on estimates of cost furnished as provided in Article 6 (a), subject to adjustment as provided in Article 6 (f). Customs and other duties on

equipment or materials imported into Iceland for direct and exclusive application to the purposes of this Agreement shall not be included in such cost. The amount payable to Iceland in respect of any calendar year shall not exceed 3,485,625 Icelandic kronur unless otherwise agreed as provided in paragraph 3 (d) of the Final Act.

Article 6

(a) Commencing with the year 1949, Iceland shall furnish to the Council, on or before October 31st, an estimate of the costs of the Services for the following calendar year. The estimate shall be drawn up in accordance with Annexes II and III hereto, and shall be subject to approval by the Council.

(b) Iceland shall furnish to the Council, not later than six months after the end of each calendar year, a statement of the actual costs of the Services during such year.

(c) The Council may subject the statement referred to in (b) of this Article to such audit and other examination as it deems appropriate. It shall furnish Iceland with a report on any such audit.

(d) Iceland shall, in addition, furnish to the Council within two months after the end of each quarter, so far as it is practicable to do so, an interim statement of the actual costs of the Services during such quarter.

(e) Iceland shall furnish to the Council such additional information relating to any estimate of cost or statement of actual cost as the Council may require, as well as any available information as to the extent to which the Services are being used by the aircraft of any nationality.

(f) After the approval of the statement of actual cost for any year, the Council may make adjustments of any subsequent quarterly payment to take account of any difference between the total estimated cost of the Services and the actual costs in the year in question.

Article 7

(a) Iceland shall not incur any new capital expenditures in respect of the Services without the prior approval in writing of the Council. In the event that new capital expenditures are proposed by either party, Iceland shall provide the Council with an estimate of the costs thereof together with such specifications, plans and other information as may be required in regard thereto by the Council, and Iceland shall consult with the Council concerning the method of supply, design or construction to be adopted.

(b) When approval for new capital expenditure has been given by the Council pursuant to this Article, Annex I or Annex III hereto, as appropriate, shall be amended accordingly, and the charges resulting from such expenditure, as determined in accordance with Annex II (C), shall be reimbursed to Iceland to the extent of 82.5 per cent thereof in accordance with the terms of this Agreement.

(c) In the event that Iceland is unable to finance the provision of any required structure or item of equipment entailing capital expenditure, Iceland shall consult with the Council with a view to reaching agreement as to appropriate measures to be adopted.

Article 8

(a) The Council shall make payments which are due to Iceland in the currencies in which they are received and which pursuant to paragraph 5 (a) of the Final Act, will normally be in the currencies of the respective States.

(b) If a State makes any payment directly to Iceland, such payment shall be made in the currency of the State concerned, unless Iceland agrees otherwise, and Iceland shall notify the Council of the date of such payment and of the amount received.

(c) All payments under this Agreement shall be made at the official rates of exchange prevailing on the dates that such payments are made by the respective States.

Valuation of currencies for the purposes of this Article shall be made as follows:

(1) In the event that the Icelandic krona and the currency of a State making payments under this Agreement have par values which have been declared to and accepted by the International Monetary Fund, the value of such currency in terms of the Icelandic krona shall be determined on the basis of such par values;

(2) In the event that no such par value is in effect for the Icelandic krona and/or for the currency of a State making payment, the latter currency shall be valued in terms of the Icelandic krona and its Icelandic legal rate of conversion into kronur; or

(3) In the event that there is more than one legal rate of exchange for the Icelandic krona and/or for the currency of a State making payment, or if there is no legally established rate of conversion, the currency shall be valued at a rate mutually acceptable to Iceland and the paying State.

Article 9

The obligation of the Council to make payments to Iceland under this Agreement shall be limited to amounts actually received from the States and available in accordance with the terms of this Agreement.

Article 10

(a) Except with the consent of the Council, Iceland shall not impose charges for the use of any of the Services.

(b) Iceland shall, if and when requested by the Council, institute, so far as practicable, a system of charges for the use of all or any part of the Services.

(c) Any charges collected by Iceland from users of the Services whether Contributing States or not shall, as to 82,5 per cent thereof, be offset against the total of the payments due to Iceland.

Article 11

Iceland shall not make any international arrangement for the provision, maintenance, development or financing of any or all of the Services without the approval of the Council.

Article 12

Iceland shall, to the fullest possible extent, co-operate with the representatives of the Organization in respect of any of the purposes of this Agreement and shall accord to such representatives the privileges and immunities to which they are entitled under the General Convention on Privileges and Immunities of Specialized Agencies of the United Nations, including Annex III (2) thereto.

Article 13

This Agreement shall come into force upon signature but pending the consent to assessments in respect of the payment due to Iceland under Article 5 (a) by States whose aggregate assessments total not less than 80 per cent of such payment, the Council shall be liable to pay to Iceland only such monies as the State which contributes them may specifically authorize.

Article 14

(a) This Agreement may be terminated by Iceland:

(1) on December 31st in any year, by notice in writing given to the Council not later than January 1st of such year; or

(2) by three months' notice in writing given to the Council in the event that more than 20 per cent of the amount due to Iceland pursuant to Article 5 (a) remains unpaid for more than six months after 1 January 1949; or

if at any time more than 25 per cent of the amounts due to Iceland under Article 5 (b) remains unpaid for more than three months after the due date; or

if any part of any amount due to Iceland under either Article 5 (a) or Article 5 (b) remains unpaid for more than one year after the due date.

(b) If the value of the Icelandic kronur varies to an extent which makes it impossible for Iceland to perform the Services within a maximum expenditure of 4,225,000 Icelandic krona in any year commencing with 1949, Iceland shall notify the Council in writing of such fact and shall furnish the Council with a detailed estimate of the additional amount required. The Council shall promptly examine such estimate and, after any necessary consultation with Iceland, shall determine the amount required. Thereupon, the Council shall approach the States with a view to obtaining consents to any necessary additional assessments as contemplated by paragraphs 3 (d) and 4 (c) of the Final Act. Unless, within three months after the Council has determined the additional amount required, it notifies Iceland that it is prepared to provide for the payment to Iceland of such amount, Iceland may thereafter terminate this Agreement by three months' notice in writing given to the Council.

(c) This Agreement may be terminated by the Council on December 31st in any year, by notice given to Iceland in writing not later than April 30th in such year.

(d) Notwithstanding the provisions of (c) of this Article, the Council may terminate this Agreement upon three months' notice given to Iceland in writing at any time in the event that, because of an emergency arising which is beyond the control of the State or States concerned and which prevents such State or States from making use of the Services, such State or States have notified the Council of their withdrawal from participation in the Arrangement pursuant to which this Agreement is entered into and such withdrawal, in the opinion of the Council, renders the continued performance of this Agreement impracticable.

Article 15

(a) In the event of termination of this Agreement by the Council, or by Iceland under the terms of Article 14 (a) (2), the Council shall pay to Iceland an equitable amount by way of compensation for authorized new capital expenditures made by Iceland and not wholly reimbursed pursuant to this Agreement. The Council reserves the right to take over any moveable property for which compensation is paid pursuant to this paragraph. The waiver of such right would constitute an element in the determination of the terms of compensation.

(b) In the event of termination of this Agreement by Iceland under the terms of Article 14 (a) (1), Iceland shall pay to the Council, or the Council may offset against payment due to Iceland hereunder, a sum representing equitable compensation for any benefits to Iceland from its acquisition for its own purposes of moveable or immovable property the cost of which had been partially or wholly reimbursed to Iceland under the provisions hereof.

(c) The amount of any payments under this Article shall be determined by agreement between the parties hereto.

Article 16

The parties to this Agreement shall make every effort, by negotiation or otherwise, to settle any dispute between the Council and Iceland concerning the interpretation or implementation of this Agreement (including Annexes) or of any amendment hereto. In case of inability to reach such settlement, the matter shall be determined by arbitration in accordance with a procedure to be agreed upon by the parties.

Article 17

This Agreement, or any Annex hereto, may be amended by mutual agreement between the parties hereto, provided that such amendment is not inconsistent with the Arrangement set out in the Final Act or any modification of such Arrangement.

IN WITNESS WHEREOF, the President of the Council of the International Civil Aviation Organization and the Representative of the Government of Iceland, both duly authorized, have affixed their signatures on behalf of the Council and Iceland respectively.

DONE at Montreal, in duplicate, in English, French and Spanish, the sixteenth day of September 1948.

Signed on the basis that the French and Spanish texts are identical with the English text.

(Signed) Edward WARNER
President of the Council
of the International Civil
Aviation Organization

(Signed) Agnar KOFOED-HANSEN
Representative of the Government
of Iceland

ANNEX I

SCHEDULE A

EXISTING SERVICES

1. *Communications Services*

1.1 An aeronautical fixed station providing for the continuous operation of the following fixed circuits, the station to comprise a combination of transmitters located at Rjupnahaed, with the receivers and operating centre at Gufunes:

(a) Reykjavik (TFW)—Prestwick (GJR)

(b) Reykjavik (TFW)—Shannon (EIP)—Stockholm (SEF)—Stavanger (Sola)

(c) Reykjavik (TFW)—Gander.

1.2 An aeronautical land station providing for communication with aircraft within the Icelandic ATC Area on the following frequencies: North Atlantic "B" Group 333, 2912, 6543, 8495, 11306 Kcs. Emergency 6210 Kcs. continuous. The frequencies are subject to change to conform with ITU requirements. The station to comprise a combination of transmitters located at Rjupnahaed, with the receivers and operating centre at Gufunes.

2. *Air Traffic Control Services*

2.1 An area control, located at Reykjavik, to be maintained in continuous operation to protect and safeguard North Atlantic international air operations through the Icelandic control area.

3. *Meteorological Services*

3.1 A main meteorological office located at Reykjavik providing meteorological services in accordance with the ICAO procedures in force in the North Atlantic Region, including:

3.1.1 The preparation and display of:

3.1.1.1 Surface synoptic charts embracing the North Atlantic Region for the main synoptic hours of 00, 06, 12 and 18 GMT.

3.1.1.2 Surface synoptic charts embracing a part of the North Atlantic Region for the intermediate synoptic hours of 03, 09, 15 and 21 GMT.

3.1.1.3 Prognostic surface charts embracing the North Atlantic Region bases on the synoptic charts prescribed in 3.1.1.1.

3.1.1.4 Contour charts embracing the North Atlantic Region for the 700 and 500 millibar surfaces, at least twice daily.

3.1.1.5 Thermodynamic diagram of upper air soundings made at selected stations in the North Atlantic Region, including Scandinavia and the Eastern Seaboard of North America.

3.1.1.6 Route, flight, area and terminal forecasts and amendments thereto, as required for international operations including operational planning.

3.1.1.7 Routine terminal forecasts and any necessary amendments thereto for Keflavik and Reykjavik Aerodromes.

3.1.1.8 Warnings of hazardous weather.

3.2 Hourly observations for aircraft to be made at Reykjavik Aerodrome, or elsewhere in Reykjavik, and special observations on request and whenever rapid deterioration or improvements in weather conditions occur.

3.3 Synoptic surface observations at the stations listed below at the hours of 00, 03, 06, 09, 12, 15, 18, 21 GMT:

Reykjavik	Raufarhofn
Keflavik	Dalatangi
Stykkisholmur	Holar
Belungarvik	Vestmannaeyjar
Akureyri	

- 3.4 The collection and dissemination of meteorological information as required by operational centres and meteorological offices in the North Atlantic Region.
4. *Inter-communication Services*
- 4.1 Teleprinter services on a continuous basis between the following centres:
Radio receiving centre (Gufunes)—Air traffic control centre Reykjavik;
for Air/Ground service only.
Radio receiving centre—Air traffic control centre Reykjavik; Point-to-point service.
Radio receiving centre—Meteorological office Reykjavik.
Radio receiving centre—Meteorological office Keflavik.
Radio receiving centre—Communications centre Keflavik.
Air traffic control centre—Meteorological office Reykjavik.
Air traffic control centre—Meteorological office Keflavik.

Meteorological office Reykjavik—Meteorological office Keflavik.
- 4.2 Direct telephone services on a continuous basis between the following centres:
Radio receiving centre (Gufunes)—Air traffic control centre Reykjavik.

Radio receiving centre—Meteorological office Reykjavik.
Radio receiving centre—Radio transmitting station Rjupnaaed.
Radio receiving centre—Communications centre Keflavik.
Air traffic control centre—Communications centre Keflavik.

Air traffic control centre—Meteorological office Reykjavik.

Meteorological office Reykjavik—Meteorological office Keflavik.

ANNEX I

SCHEDULE B

1. *New Services to be provided and put into operation by the Government of Iceland*
- 1.1 Broadcasts of meteorological reports for aircraft in conformity with the supplementary procedures for the North Atlantic Region.
- 1.2 To supplement the existing communication facilities in the event of land line failure, VHF communications between the Radio Receiving Centre and
(a) the Area Control Centre
(b) Keflavik Aerodrome.

ANNEX II

BASIS OF COMPUTATION OF ANNUAL COST

Estimates and accounts rendered by the Government of Iceland on the cost of operating and maintaining:

- (1) The Radio Transmitting Station at Rjupnaaed,
- (2) The Radio Receiving Station at Gufunes,
- (3) The Air Traffic Control Service,
- (4) Meteorological Service for international air services in the North Atlantic,

shall be based on the elements enumerated in Schedules A, B and C of this Annex.

Iceland shall not include, in the estimates or costs of the Services, customs or other duties on equipment or materials imported into Iceland for direct and exclusive application to the purposed of the Agreement.

ANNEX II

SCHEDULE A (OPERATION)

DIRECT EXPENSES FOR THE OPERATION OF THE AIR NAVIGATION SERVICES LISTED
IN ANNEX I1. *Salaries of regular personnel*

Basic salaries adjusted to the cost of living index for wages established by the Government of Iceland from time to time, plus allowances for recreation leave, sickness, social insurance and overtime.

2. *Payment to Meteorological Observers at Main Meteorological Office and 88% of payments to Observers for synoptic messages.*3. *Electric Power*, at rates charged to the Government of Iceland in regard to comparable services.4. *Teleprinter and Telephone Services*, provided exclusively for communications between operating centres to be charged at regular Governmental rates for such services.

5. *Transportation*

Transportation of operating staff between Reykjavik and Receiving Station (Gufunes) and Transmitting Station (Rjupnahaed) at lowest available rates.

6. *Miscellaneous operating expenses*

6.1 Heating.

6.2 Cleaning.

6.3 Lighting.

6.4 Operation of standby plant (oil).

6.5 Essential telephone, telegraph and cable costs other than those covered in para. 4.

6.6 Stationery and miscellaneous supplies.

7. Such unforeseen additional necessary expenses as may be approved by the Council.

ANNEX II

SCHEDULE B (MAINTENANCE)

DIRECT EXPENSES FOR THE MAINTENANCE OF THE AIR NAVIGATION SERVICES LISTED
IN ANNEX I

1. *Salaries of regular maintenance staff*

To be computed as in Schedule A, para. 1.

2. *Special maintenance, labour and material*

2.1 Labour other than that covered in paras. 1 and 2 of Schedule A.

2.2 Aerial (wires, insulation and fittings).

2.3 Mast replacements.

2.4 Electrical maintenance (cabling and gear).

2.5 Maintenance of masts and temporary buildings.

2.6 Diesel engine maintenance.

2.7 Tube replacements.

2.8 Miscellaneous material.

ANNEX II

SCHEDULE C

INDIRECT EXPENSES

1. *Miscellaneous Overhead including Administration*

For administration of the services listed in Annex I, a charge of 10% on the total direct expenses on items listed in Schedules A and B of this Annex.

2. *Depreciation of Buildings and Equipment*

2.1 For depreciation of permanent buildings, a charge of 2% per annum of the value specified in Column 2 in Annex III.

2.2 For depreciation of radio equipment, a charge of 10% per annum of the value specified in Column 4 of Annex III.

3. *Maintenance of Buildings*

For maintenance of permanent buildings, a charge of 2% per annum of the value specified in Column 2 in Annex III.

4. *Interest*

For interest on capital invested in land, buildings and equipment, a charge not to exceed 6% per annum of the value specified in Annex III as adjusted by annual depreciation and taking into account renewals of equipment met from provision for depreciation.

ANNEX III

SCHEDULE A

EXISTING BUILDINGS, EQUIPMENT AND LAND USED IN THE OPERATION OF SERVICES LISTED IN ANNEX I

	Buildings		Equipment		Date for commencement of depreciation		Land		
	Agreed value in Kronur	Proportion of agreed value on which int. and depr. accrue	Agreed value in Kronur	Proportion of agreed value on which int. and depr. accrue	Bldg.	Equip.	Agreed value in Kronur	Proportion of agreed value on which interest is paid	
1. <i>Transmitting Station (Rjupnaaed)</i>									
1.1 Transmitter Building.....	Nil								
1.2 Other Buildings.....	Nil						See 1.6		
1.3 Transmitters.....			{ 2,500,000 200,000 Nil 400,000 }						
1.4 Power Plant.....									
1.5 Batteries.....									
1.6 Masts. Aerials.....								200,000	150,000
2. <i>Receiving Station (Gufunes)</i>									
2.1 Receiver Building.....	600,000	400,000	{ } 120,000 60,000 250,000 }	1,700,000	1/1/48	1/1/48			
2.2 Quarters.....	Nil							See 2.6	
2.3 Other buildings.....	Nil								
2.4 Receivers.....									
2.5 Power Plant.....									
2.6 Masts. Aerials.....									
3. <i>Air Traffic Control</i>									
3.1 Building.....	Nil								
3.2 Radio equipment (see 1.3 & 2.4).									
3.3 Other equipment.....	Nil								
4. <i>Meteorological Services</i>									
4.1 Building.....									
4.2 Instruments.....									
4.3 Other equipment.....									

ANNEX III

SCHEDULE B

ADDITIONAL BUILDINGS AND EQUIPMENT REQUIRED FOR USE IN THE OPERATION
OF SERVICES LISTED IN ANNEX I

	Buildings		Equipment		Date for commencement of depreciation		Land	
	Agreed value in Kronur	Proportion of agreed value on which int. and depr. accrue	Agreed value in Kronur	Proportion of agreed value on which int. and depr. accrue	Date for commencement of depreciation		Agreed value in Kronur	Proportion of agreed value on which interest is paid
					Bldg.	Equip.		
1. <i>New Building for Radio Transmitters (Rjupnahaed)</i>	Value to be agreed by the Council before construction commences	Value to be agreed by the Council before construction commences					See Schedule A, 1.6	
2. <i>VHF Radio intercommunication equipment</i>			80,000	80,000				

APPENDIX A

FINAL ACT OF THE CONFERENCE ON AIR NAVIGATION
SERVICES IN ICELAND

The Governments of BELGIUM, CANADA, DENMARK, FRANCE, ICELAND, the NETHERLANDS, NORWAY, SWEDEN, the UNITED KINGDOM, and the UNITED STATES OF AMERICA,

Having accepted as interested States of the North Atlantic Region the invitation extended to them by the International Civil Aviation Organization to be represented at a Conference, initiated by the Council of the Organization under Chapter XV of the Convention on International Civil Aviation, to agree upon financial aid requested by the Government of Iceland for its Air Traffic Control, Communications and Meteorological Services,

Appointed their respective Delegates hereinafter mentioned:

Belgium

Lt. Col. Jean Verhaegen

Canada

Brig. C. S. Booth
Mr. Stuart Graham
Mr. A. B. Rosevear
Mr. O. G. Stoner

Denmark

Mr. G. Teisen
Mr. G. Crone

France

Mr. Henri Bouché
Mr. Daniel Haguenau
Mr. Jean-Michel Amirault

Iceland

Mr. Petur Benediktsson
Mr. Agnar Kofoed-Hansen
Mr. Berger G. G. Gislason
Mr. S. H. Gudmundsson
Mr. G. Briem

Netherlands

Mr. J. W. F. Backer
Mr. F. H. Copes van Hasselt
Mr. A. P. Dekker

Norway

Mr. Alf Heum
Mr. Olav Nordland

Sweden

Mr. Carl Ljungberg
Mr. Gustaf Hultström
Mr. Henry Soderberg

United Kingdom

Sir Frederick Tymms
Mr. I. Lawton
Brig. R. O. Wilberforce
Mr. D. F. Peel
Mr. L. S. Mills

United States of America

Rear Admiral Paul A. Smith
Mr. Leo G. Cyr
Mr. Paul T. David
Mr. Edward S. Prentice
Mr. Brackley Shaw
Mr. Claude H. Smith
Mr. Lyle L. Schmitter
Mr. Stuard G. Tipton

Who met at Geneva, in the Palais des Nations, on June 8, 1948, under the temporary presidency of Dr. Edward Warner, President of the Council of the International Civil Aviation Organization.

The following representatives of the International Meteorological Organization:

Mr. N. R. Hagen
Mr. J. R. Rivet
Dr. G. Swoboda

attended the Conference in response to an invitation extended by the International Civil Aviation Organization.

Dr. Warner attended the Conference throughout, as did Dr. K. N. E. Bradfield, Council Representative for Australia and Acting Chairman of the Council's Committee on Joint Support of Air Navigation Services. In addition to Dr. Albert Roper, Secretary-General of the Organization, the following members of the Secretariat assisted in the work:

Hr. E. M. Weld
Dr. J. A. Fruin
Mr. E. R. Marlin
Dr. E. Pépin
Dr. J. Dubsy
Miss Mary Bridge

Sir Frederick Tymms, head of the United Kingdom Delegation, was elected Chairman of the Conference, and Mr. Carl Ljungberg, head of the Swedish Delegation, Vice-Chairman.

Dr. Dubsy, a member of the Secretariat of the International Civil Aviation Organization, acted as Secretary; Dr. Pépin was designated as Legal Adviser to the Conference; Dr. Bradfield gave valuable assistance on civil engineering matters.

The Conference set up:

- a Technical Working Group with Mr. Stuart Graham (Canada) as Chairman and Dr. Dubsy as Secretary;
- a Financial Working Group with Mr. Edward S. Prentice (United States) as Chairman and Mr. Weld, member of the Secretariat of the Organization, as Secretary; and

- a Legal (Drafting) Working Group with Brig. R. O. Wilberforce (United Kingdom) replaced by Brig. C. S. Booth (Canada) as Chairman and Dr. J. A. Fruin, member of the Secretariat of the Organization, as Secretary.

The Final Plenary Meeting of the Conference was held on June 25, 1948.

I

As a result of the deliberations of the Conference, the following Reports were adopted and will be set forth in the published proceedings of the Conference:

- The Final Report of the Technical Working Group, together with the Recommendations contained therein (DOC JSI-23—Tech-3).
- The Final Report of the Financial Working Group, together with the Recommendations contained therein (DOC JSI-32—Fi-8).

II

The Conference agreed that financial aid should be rendered to the Government of Iceland pursuant to Chapter XV of the Convention on International Civil Aviation under conditions and with recommendations to the Governments of Iceland and of the participating States, and to the Council of the Organization, as set forth in the following Resolution:

WHEREAS the Council of the International Civil Aviation Organization (hereinafter called respectively “the Council” and “the Organization”) on April 17, 1946 and May 9, 1946 adopted the recommendations of the North Atlantic Route Service Conference held in Dublin in March 1946 in regard to Air Traffic Control, Communications and Meteorological Services in Iceland (hereinafter called the “Services”);

WHEREAS the Government of Iceland (hereinafter called “Iceland”) gave notice at the North Atlantic Route Service Conference that it would be unable in the future to maintain the Services without financial aid and, in accordance with Chapter XV of the Convention on International Civil Aviation (hereinafter called “the Convention”), has made a request to the Council for such financial aid;

WHEREAS with a view to providing such aid, the Council has consulted with Iceland and with the other States (hereinafter called the "States") whose airlines operate international air services across the North Atlantic;

WHEREAS the States are of the opinion that the aforesaid request by Iceland is justified and that the Council should conclude with Iceland an appropriate agreement pursuant to Chapter XV of the Convention for the purpose of providing such financial aid; and

WHEREAS Iceland has agreed to contribute, for the period after 1948, 17.5% of the total cost of the Services in consideration of the aeronautical and indirect benefits to Iceland arising from the proposed arrangement,

NOW THEREFORE, THE CONFERENCE RECOMMENDS that, for the aforesaid purposes, the Council should assess to each State the requisite amounts, and that each State should consent to such assessment, upon the following terms and conditions (which together are hereinafter called the "Arrangement"):

1. (a) The Council should forthwith enter into an agreement with Iceland (hereinafter called "the Agreement") to give effect to this Arrangement and in particular for the purposes of ensuring the operation and maintenance of the Services substantially as set forth in Schedule A of Annex I¹ hereto; the provision, operation and maintenance of the new Services substantially as set forth in Schedule B of Annex I hereto; and the provision, operation and maintenance of such additional Services as may be mutually agreed upon by Iceland and the Council, subject to the consent of the States in any case where the addition is of a substantial nature.
 - (b) The Agreement should provide that Iceland should not incur any capital expenditures in respect of the Services without the prior approval of the Council, except for renewal of equipment from the provision for depreciation.
2. (a) The Council should assess each State, in accordance with Article 73 of the Convention, and each State should consent to be assessed, in the amounts specified in the last column of the following table with respect to the provision of the Services during the period ending December 31, 1948, it being understood that the amounts paid by the United States should be allocated to that portion of the total amount to be paid for the years 1947 and 1948.

¹ The text of the annexes to the Final Act is identical with the text of the annexes to the Agreement. See pages 284 to 298.

	<i>Percentage</i>	<i>Amount Payable to Iceland Icelandic Kronur</i>	<i>Amount of Assessment Icelandic Kronur</i>
Belgium	1.2	90,000	92,400
Canada	9.3	697,500	716,100
Denmark	1.85	139,300	143,000
France	4.6	345,000	354,200
Netherlands	5.6	420,000	431,200
Norway	1.85	139,300	143,000
Sweden	2.8	208,900	214,500
United Kingdom	11.1	832,500	854,700
United States	61.7	4,627,500	4,750,900
Total	<u>100.0%</u>	<u>7,500,000</u>	<u>7,700,000</u>

(b) The total assessment includes:

- (i) a sum of 7,500,000 kronur for partial reimbursement to Iceland of expenses incurred during the period ending December 31, 1948; and
 - (ii) an additional sum of 200,000 kronur to be used for the following purposes; to reimburse the Organization for its extraordinary expenses as specified in paragraph 2 (d), incurred during the same period, and to provide funds from which the Council may meet deficiencies in payment of assessments.
- (c) The amount assessed to each State hereunder should, subject to paragraph 11, become due forthwith upon receipt by the Council of the consent to assessment and should be paid if possible not later than December 31, 1948.
- (d) Out of the amount of the assessment provided for in this paragraph, the Organization should be entitled to receive a payment not exceeding \$8,000.00 on account of its extraordinary expenses incidental to this Arrangement incurred during the period ending December 31, 1948.
3. In respect of each calendar year commencing with the year 1949, the Council should assess to each State, in accordance with Article 73 of the Convention, and each State should consent to be assessed, amounts determined by the Council in accordance with the following provisions:
- (a) The Council should determine the total amount of assessment for each calendar year subsequent to 1949:
 - (i) by taking the estimated total cost of the Services for that year computed in accordance with the provisions of Annexes II and III hereto,

- (ii) by deducting from such cost the portion thereof to be borne by Iceland, namely 17.5%, and
- (iii) by adding to the balance an amount not in excess of 10% of such balance.
- (b) The purpose of the additional assessment provided for in paragraph 3 (a) (iii) should be to meet
- (i) payments to the Organization for its extraordinary expenses in accordance with paragraph 7,
- (ii) payments actually due to Iceland for approved expenditure in excess of the estimated amount on which the original assessments for the year were based; or
- (iii) deficiencies in payment of assessments.
- (c) The assessments for 1949, computed in accordance with the provisions of paragraph 3 (a) and based on a total estimated expenditure of 3,977,741 kronur in respect of that year, should be as follows:

	<i>Percentage</i>	<i>Amount Payable to Iceland Icelandic Kronur</i>	<i>Amount of Assessment Icelandic Kronur</i>
Belgium	1.8	71,599	78,758
Canada	7.1	282,419	310,661
Denmark	1.7	67,622	74,385
France	4.1	163,087	179,396
Netherlands	4.9	194,909	214,400
Norway	1.7	67,622	74,385
Sweden	2.6	103,421	113,763
United Kingdom	9.9	393,796	433,176
United States	48.7	1,937,161	2,130,876
Total	<u>82.5%</u>	<u>3,281,636</u>	<u>3,609,800</u>

- (d) Any assessment made to a State under this paragraph 3 should not in any case exceed the maximum assessment to that State specified in the following table, except with the consent of the State given in accordance with paragraph 4 (c). The total of the maximum assessments set out herein is based on an estimated maximum expenditure on the Services for any future year of 4,225,000 kronur.

	<i>Percentage</i>	<i>Maximum Assessment Icelandic Kronur</i>
Belgium	1.8	83,655
Canada	7.1	329,973
Denmark	1.7	79,672
France	4.1	190,547
Netherlands	4.9	227,728
Norway	1.7	79,672
Sweden	2.6	119,508
United Kingdom	9.9	460,102
United States	48.7	2,263,333
Total	82.5%	3,834,190

(e) The amount assessed to each State hereunder should become due and payable on the first day of each year; provided that at the discretion of any State, its assessment might be paid in quarterly instalments in which case payments should be made not later than the first day of each quarter.

4. (a) (i) On or before September 1 in each year commencing with 1949, each State should furnish to the Council, in such form as the Council may prescribe, full particulars of actual flights by its scheduled air services using the Services during the twelve months' period ending June 30 in such year, together with such additional information concerning other aircraft movements as the Council may require for the purpose of determining the proportional use of the Services by its aircraft.
- (ii) Upon receipt of the said information, the Council should review the percentages of assessment set forth in paragraph 3 and if necessary should establish different percentages to take effect in substitution for the percentages therein set forth.
- (iii) In carrying out such review, the Council should be governed by the principle that the cost of operation, maintenance, and development of the Services should be borne in proportion to the aeronautical benefits, and so far as practicable should take into account the non-aeronautical benefits, derived by each State from the Services.
- (iv) In determining the aeronautical benefits derived by any State, the Council may disregard any temporary reduction in the use

made of the Services by the aircraft of that State by reason of special circumstances arising within such State.

- (b) In the event that any State does not consent to assessment or fails to make payment of the amount assessed to it, or withdraws from participation in this Arrangement, or a State not named in paragraph 3 agrees to participate in this Arrangement, the Council should, to the extent appropriate, establish different percentages to take effect in substitution for those set forth in paragraph 3.
 - (c) In the event of the establishment of different percentages under this paragraph results in assessment to any State in excess of the amount of the assessment set forth in paragraph 3 (d), the consent of such State to the increased assessment should be secured.
5. (a) Each State should normally pay its assessment in its own currency to the Council. However, any State in its discretion may pay directly to Iceland that proportion of its assessment due to Iceland, provided that the portion of Canada's assessment paid to the Council should be sufficient to meet the extraordinary expenses of the Organization referred to in paragraph 3. Any payment made by a State to Iceland should be made in its own currency unless Iceland agrees otherwise.
- (b) Payments should be made at the prevailing official rate of exchange between Iceland and the State concerned.
6. (a) The payments made to Iceland on the basis of estimates of expenditure should be subsequently adjusted on the basis of actual approved expenditure.
- (b) The Council should maintain accounts of all receipts and disbursements under this Arrangement and account to the States therefor. The Council should carry out an annual audit of expenditures by Iceland in connection with the Agreement, and should submit reports on such audit to the States and Iceland. The said accounts of the Council should be closed at the end of each calendar year and any surplus remaining should be appropriately applied in reduction of the assessments for the succeeding calendar year.
7. The Council should reimburse to the Organization, from the amounts received, extraordinary expenditures incidental to this Arrangement.

8. (a) In the event that aircraft of any State not referred to in paragraph 3 appear to benefit from the Services to an extent which, in the opinion of the Council, justifies such course, the Council should enter into negotiations with such State for the purpose of providing for its participation in this Arrangement.
(b) The Council should make suitable arrangements to ensure that any charges imposed by Iceland with the consent of the Council, or by the Organization, for the use of the Services should, as to 82.5% thereof, be offset against the assessments to States under this Arrangement.
9. The Council should supervise and, from time to time, inspect the operation of the Services, and submit periodical technical reports thereon to the States.
10. The Council should convene a meeting of the States, and other interested States:
 - (a) When requested by two or more of the States, or by any one State if a meeting has not been held during the previous five years;
 - (b) When substantial failure of States to accept this Arrangement or to pay their assessments, or withdrawal of any one or more States necessitates a revision of assessments which cannot be settled by the procedure prescribed in paragraph 4 (c); or
 - (c) When for any other reason in the opinion of the Council such a meeting is necessary.
11. (a) No consent to the initial assessment hereunder should become effective until consents, in form satisfactory to the Council, have been received by the Council from States representing an aggregate of not less than 80% of the total assessments prescribed in paragraph 2.
(b) Consent to the initial assessment hereunder should constitute agreement to continuing participation in this Arrangement, provided that such consent should not constitute commitment of funds for any future period until such funds are made available by the appropriate legislative body in any case where such action is required.

12. (a) Any withdrawal from participation in this Arrangement should be effective on December 31 in any year, provided that notification thereof in writing is received by the Council before the preceding March 1.
- (b) Notwithstanding the provisions of paragraph 12 (a), in the event of any emergency arising which is beyond the control of the State concerned and which prevents such State from making use of the Services, such State may withdraw from participation in this Arrangement upon three months' notice in writing to the Council.
- (c) In the event of the termination by the Council of the Agreement for any cause arising out of this Arrangement at any time when there is any balance unrecovered by Iceland on account of capital expenditures undertaken by Iceland pursuant to the Agreement, the States should consult with the Council and Iceland to determine an equitable amount of compensation to be paid to Iceland on account thereof and further should agree to be assessed for such compensation in proportion to the assessments then in effect pursuant to paragraphs 3 and 4 subject to adjustment for any contribution payable under paragraph 12 (d).
- (d) Any State which withdraws from participation in this Arrangement pursuant to paragraph 12 (a) or 12 (b) should continue to be liable to an assessment on account of capital expenditures previously undertaken by Iceland pursuant to the Agreement, proportionate to its assessment at the time of such withdrawal. Such assessment should be made in accordance with paragraph 12 (c).

III

The Conference considered whether the services connected with the Loran Station at Vik in Iceland should be included in one arrangement with the Services referred to in the foregoing Resolution. It reached the conclusion that the inclusion of this Loran Station would unduly complicate the arrangement and therefore recommends that, for the time being, the financing of the Loran Station continue under the present provisional arrangement relating thereto.

IV

The Delegates of the participating Governments undertake to use their best endeavours to secure from their respective Governments an early indication of their consent to the assessments and conditions as hereinbefore set forth and such action by them as is required to implement this Final Act.

IN WITNESS WHEREOF the following Delegates sign the present Final Act,

DONE at Geneva, the twenty-sixth day of June in the year nineteen hundred forty-eight in the English and French languages in a single copy which shall be deposited in the archives of the International Civil Aviation Organization, where it will remain open for signature. In the event of any difference of interpretation as arising between the English and French texts, it should be the responsibility of the Council to resolve such differences. Certified copies of this Final Act shall be transmitted by the Secretary-General of the Organization to each of the Governments represented at the Conference.

For the Government of Belgium:

Reservation: The Belgian Government will make payment of its contribution only when an equitable adjustment shall have been made in its favour in the allocation of the charges imposed in respect of the aggregate facilities relating to the safety of air navigation on the North Atlantic.

(Signed) J. VERHAEGEN

For the Government of Canada:

Signed on the basis of the English text pending notification to the Secretary-General that the Government of Canada has satisfied itself as to the identity of the two texts.

(Signed) C. S. BOOTH

For the Government of Denmark:

(Signed) J. C. JORGENSEN

For the Government of France:

(Signed) H. BOUCHÉ

For the Government of Iceland:

(Signed) Agnar KOFOED-HANSEN

For the Government of the Netherlands:

(Signed) J. W. F. BACKER

For the Government of Norway:

(Signed) S. HOLSTEN

For the Government of Sweden:

(Signed) G. HULTSTRÖM

For the Government of the United Kingdom:

(*Signed*) F. TYMMS

For the Government of the United States:

Signed on the basis of the English text pending notification to the Secretary-General of ICAO that the Government of the United States of America has satisfied itself as to the identity of the two texts.

(*Signed*) Paul A. SMITH
