

**No. 14870**

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**FEDERAL REPUBLIC OF GERMANY  
and  
NORWAY**

**Agreement relating to the transmission of petroleum by pipeline from the Ekofisk field and neighbouring areas to the Federal Republic of Germany. Signed at Bonn on 16 January 1974**

*Authentic texts: German and Norwegian.*

*Registered by the Federal Republic of Germany on 21 July 1976.*

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**RÉPUBLIQUE FÉDÉRALE D'ALLEMAGNE  
et  
NORVÈGE**

**Accord relatif au transport d'hydrocarbures par oléoduc du périmètre d'Ekofisk et des zones adjacentes vers la République fédérale d'Allemagne. Signé à Bonn le 16 janvier 1974**

*Textes authentiques : allemand et norvégien.*

*Enregistré par la République fédérale d'Allemagne le 21 juillet 1976.*

## [TRANSLATION — TRADUCTION]

**AGREEMENT<sup>1</sup> BETWEEN THE FEDERAL REPUBLIC OF GERMANY AND THE KINGDOM OF NORWAY RELATING TO THE TRANSMISSION OF PETROLEUM BY PIPELINE FROM THE EKOFISK FIELD AND NEIGHBOURING AREAS TO THE FEDERAL REPUBLIC OF GERMANY**

The Federal Republic of Germany and the Kingdom of Norway,

Desiring to regulate certain questions which will arise in the event of petroleum extracted from the Ekofisk field and neighbouring areas being transmitted to the Federal Republic of Germany by a pipeline which is built for this purpose and also certain questions related thereto, such as the transmission in the same pipeline of petroleum originating from other areas,

Have agreed as follows:

*Article 1.* The Federal Republic of Germany shall not object to the laying and operation of a pipeline from the Ekofisk field and neighbouring areas to the Federal Republic of Germany by a pipeline company as referred to in article 3.

*Article 2.* 1. The Government of Norway shall issue a licence or licences to the pipeline company for the laying and operation of the whole length of the pipeline and may charge normal fees therefor. The competent authorities of the Federal Republic of Germany shall issue any further licence or licences to the pipeline company which may be necessary according to German legislation and may charge normal fees therefor.

2. These provisions shall be entirely without prejudice to the sovereignty and sovereign rights of the State concerned over its continental shelf, territorial sea and land territory.

*Article 3.* 1. The owners and operators of the pipeline shall be a pipeline company which shall be a Norwegian legal entity incorporated under Norwegian law and having its domicile in Norway. The pipeline company shall have its central place of business in Norway and shall be resident in Norway for tax purposes.

The pipeline company may designate another company to operate the pipeline. In this case, the above provisions shall apply *mutatis mutandis*.

2. The pipeline company may be a profit-making or a non-profit-making enterprise and may be owned wholly or in part by the Norwegian State or by a Norwegian State-owned company.

*Article 4.* 1. The pipeline company shall be subject to Norwegian law and jurisdiction as regards civil and criminal proceedings, forum and enforcement. This shall also apply in relation to the pipeline and incidents pertaining thereto, it being understood, however, that this shall not exclude the jurisdiction of the German courts and the application of German law concerning the continental shelf, territorial sea and land territory of the Federal Republic of Germany.

<sup>1</sup> Came into force on 11 August 1975 by the exchange of the instruments of ratification, which took place at Oslo, in accordance with article 25(2).

2. These provisions shall be entirely without prejudice to the sovereignty and sovereign rights of the State concerned.

*Article 5.* 1. The main object of the pipeline company shall be to transmit petroleum extracted from the Ekofisk field and neighbouring areas.

2. To the extent that the capacity of the pipeline so permits, the Norwegian Government may, in accordance with the "common-carrier" principle, order the pipeline company to transmit petroleum received by feeder pipelines from other fields in the Norwegian continental shelf or from fields in part of the continental shelf appertaining to neighbouring countries. In the latter case, the Government of the Federal Republic of Germany and the Government of Norway shall hold consultations.

3. The Government of Norway may make any project to connect feeder pipelines with the pipeline subject to its approval.

*Article 6.* Transmission facilities shall be available at fair commercial rates. The rates shall be approved or set by the Norwegian Government, subject to consultations with the Government of the Federal Republic of Germany.

*Article 7.* 1. The route of the pipeline shall be subject to the agreement of the competent authorities of the two Governments.

2. The Government of the Federal Republic of Germany is prepared, to the extent that available technical facilities are adequate and other conditions so permit, to search for and remove any mines, or other explosive devices, lying on or projecting upwards from the sea-bed on the pipeline route in the continental shelf or territorial sea of the Federal Republic of Germany.

*Article 8.* 1. All pipelines, including feeder pipelines, shall to the extent possible be subject to a uniform safety standard. The two Governments shall consult with a view to harmonizing their relevant safety requirements as soon as possible.

2. The final safety clearance of the pipeline shall be given by the Norwegian Government after consultation with the Government of the Federal Republic of Germany on the basis of existing German and Norwegian law and this Agreement.

*Article 9.* 1. To the extent required for the monitoring of safety regulations relating to the construction, laying and operation of the pipeline, the competent supervisory authorities of each Contracting Party shall have the right to inspect the pipeline facilities, including those situated in the continental shelf or national territory of the other State, and to obtain information for that purpose.

2. The details of the procedure shall be agreed upon by the competent supervisory authorities of the two Contracting Parties.

*Article 10.* 1. The substantive content of licences, including their period of validity, shall be agreed upon by the two Governments on the basis of the law in force and this Agreement.

2. A copy of the licence or licences issued by one Government shall be made available to the other Government.

3. No licences shall be altered or assigned to a new licensee by the Government concerned, without prior consultation with the other Government.

4. In the event of serious or repeated violations of the terms of a licence, the Government concerned may revoke such licence but not without prior consultation with the other Government.

*Article 11.* 1. If the principal licence expires or is revoked, the Norwegian Government may, after consultation with the Government of the Federal Republic of Germany, require the property in the pipeline to be passed to the Norwegian Government. In these cases the Norwegian Government may also order the pipeline company to take the necessary action to ensure the future operation of the pipeline.

2. If one of the Governments considers that, for technical, economic or other reasons, continued operation of the pipeline is not feasible, it shall consult with the other Government.

3. Subject to the above-mentioned provisions, the Government of Norway may order the pipeline company to remove the pipeline within a specified period.

*Article 12.* Liability for pollution damage, including the costs of preventive and remedial action, shall be governed in accordance with the provisions of article 4. Licences shall contain provisions concerning the liability of the licensees and their obligations to insure against or to furnish security or guarantees in respect of possible pollution damage.

*Article 13.* 1. The terminal for the pipeline shall be owned and operated by a terminal company which shall be a separate Norwegian legal entity incorporated under Norwegian law. The company shall have its central place of business in Norway and shall be resident in Norway for tax purposes.

The terminal company may designate another company to operate the terminal. In this case, the above provisions shall apply *mutatis mutandis*.

2. The competent authorities in the Federal Republic of Germany shall issue such licences for the construction and operation of the pipeline terminal as are required under German law.

The Norwegian Government may determine the ownership rights in respect of the shares of the terminal company.

Article 10 shall apply *mutatis mutandis*.

3. The main purpose of the terminal shall be to handle petroleum extracted from the Ekofisk field and neighbouring areas. As regards petroleum extracted from other fields, the provisions of article 5, paragraph 2, shall apply.

*Article 14.* Terminal facilities shall be available at fair commercial rates. The rates shall be approved or set by the Norwegian Government after consultations with the Government of the Federal Republic of Germany.

*Article 15.* 1. With regard to activities and assets covered by this Agreement, the provisions of the Agreement of 18 November 1958<sup>1</sup> between the Federal Republic of Germany and the Kingdom of Norway for the avoidance of double taxation and concerning reciprocal administrative and legal assistance with respect to taxes on income and fortune and to the business tax (hereinafter in this article referred to as the "Tax Agreement") shall apply.

2. However, the following rules shall govern the application of the Tax Agreement to these activities and assets:

<sup>1</sup> United Nations, *Treaty Series*, vol. 357, p. 205.

- (1) for the purposes of the taxation of income and assets defined in the Tax Agreement, the pipeline and the pipeline terminal shall not be deemed to constitute permanent establishments in the Federal Republic of Germany in the sense of the Tax Agreement;
- (2) fixed places of business of an enterprise of one Contracting Party situated in or on the continental shelf or the territorial sea of the other Contracting Party and engaged in laying or constructing the pipeline, including the shore facilities serving as assembly shops and support facilities for such laying and construction, shall not be deemed to constitute permanent establishments in the sense of the Tax Agreement;
- (3) wage-earning work carried out by persons resident in one Contracting State in or on the continental shelf or the territorial sea of the other Contracting State or in the shore facilities referred to in paragraph 2 above and situated in the other Contracting State shall, for the purposes of the Tax Agreement, not be deemed to have been carried out in the other Contracting State.

3. The Federal Republic of Germany shall ensure that the construction of the pipeline and the pipeline terminal is not affected by restrictions relating to capital movements.

4. The taxation rules deriving from this article shall apply, even if the Tax Agreement is amended or ceases to be in force.

*Article 16.* If the Norwegian Government decides that the royalty from petroleum produced on the Norwegian continental shelf shall be paid in kind, it shall be possible to transport such petroleum back to Norway without hindrance, export duties or other charges of any kind.

*Article 17.* 1. The provisions of articles 16 and 18 shall apply *mutatis mutandis* if agreement is reached between the Norwegian Government or a Norwegian company or companies designated by the Norwegian Government and any licensee for the transport to Norway by sea of natural gas liquids, as defined in article 23, paragraph 3, in order to establish or supply a petrochemical industry in Norway.

2. The same shall apply in the event that natural gas liquids are processed in the Federal Republic of Germany.

*Article 18.* 1. The Norwegian Government shall have the right, in accordance with sections 34 and 35 of the Norwegian Royal Decree of 8 December 1972 or similar legislation, to require all or any part of petroleum produced on the Norwegian continental shelf to be transported to Norway. This right shall prevail even if a *force majeure* situation exists in the Federal Republic of Germany, including a state of war, a national oil shortage or similar emergency.

2. The Federal Republic of Germany shall place no obstacles in the way of the transport of such petroleum to Norway by sea.

3. The quantities of petroleum which the Norwegian Government may decide should be transported to Norway under section 35 of the Royal Decree of 8 December 1972 or similar legislation shall not be subject to any limitation.

4. The quantities of petroleum which the Norwegian Government may decide should be transported to Norway under section 34 of the Royal Decree of 8 December 1972 or similar legislation shall be sufficient to meet national needs, including but not limited to deliveries to the petrochemical industry, export refineries, and so forth.

5. So far as possible, the Norwegian Government shall consult with the Government of the Federal Republic of Germany when deciding on the matters referred to in this article; it shall take the interest of the Federal Republic of Germany into consideration to a reasonable extent.

*Article 19.* The following provisions shall apply to petroleum which the Norwegian Government may require to be transported to Norway under section 34 of the Royal Decree of 8 December 1972 or similar legislation:

1. for quantities exceeding one quarter of the quantity of Norwegian petroleum transmitted by the pipeline in the preceding calendar year, the Norwegian Government shall give at least three months' notice to the Government of the Federal Republic of Germany;
2. for quantities exceeding three quarters of the total quantity of Norwegian petroleum transmitted by the pipeline in the preceding calendar year, the Norwegian Government shall give at least six months' notice to the Government of the Federal Republic of Germany;
3. in either case the notice shall give an indication of the period during which this requirement shall remain in force.

*Article 20.* Nationals and companies of the two Contracting States shall be equally entitled to render services for the supply, transport and inspection of the pipeline.

These services shall not be subject to unreasonable restrictions.

*Article 21.* 1. A commission consisting of three representatives from each Government shall supervise the implementation of this Agreement, including all relevant tax matters.

2. The commission shall meet at the request of either Government, but not less than once a year.

*Article 22.* 1. Any dispute concerning the interpretation or application of this Agreement, which it has not been possible to settle in the Commission mentioned in article 21 or through the diplomatic channel, shall at the request of one of the Governments be submitted to an arbitral tribunal consisting of three members. Each Government shall appoint one member of the tribunal and the third member shall be appointed by agreement between the two members so appointed. If one of the Governments has not within three months of the request for arbitration appointed an arbitrator, or if the third arbitrator has not been appointed within a month of the appointment of the first two arbitrators, either of the Governments may request the President of the International Court of Justice to appoint one arbitrator, or if necessary two arbitrators, from among the nationals of a third State having no direct or indirect interest in the dispute. The tribunal shall determine its own procedure.

2. All decisions of the tribunal shall be taken by a majority vote.

3. The decisions of the tribunal shall be binding on the Contracting Parties.

*Article 23.* In this Agreement:

1. "Ekofisk field and neighbouring areas" means the Norwegian continental shelf south of 57° 20' North latitude and West of 4° 20' East longitude.

2. "Petroleum" means all liquid and gaseous hydrocarbons, including natural gas liquids.

3. "Natural gas liquids" means ethane, propane, butane and pentane.
4. "Pipeline" means the pipeline or pipelines for the transmission of petroleum from the pipeline coupling at the first gas compressor of the Ekofisk-Centre, together with all related controlling installations, compressor stations and telecommunication and other equipment which may be built and operated from the areas mentioned in paragraph 1 of this article to the Federal Republic of Germany up to and including the first measuring instruments pertaining thereto.
5. "Ekofisk-Centre" means the storage facility in the Ekofisk field (Ekofisk One).
6. "Pipeline company" means one or more of the companies mentioned in article 3.
7. "Feeder pipelines" means the pipelines which may be laid from fields outside the area mentioned in paragraph 1 of this article to a connection with the pipeline.
8. "Principal licence" means the licence or licences issued by the Norwegian Government in accordance with article 2, together with any subsequent licences issued by way of renewal or in substitution.
9. "Terminal" means all the on-shore facilities for receiving, stabilizing, storing and transporting petroleum from behind the first measuring instruments up to the last measuring instruments pertaining to these facilities before the petroleum is delivered to the purchaser.

The terminal shall also include facilities for separating the natural gas liquids from the transported natural gas, provided that the purpose of this separation is to return the natural gas liquids to Norway, or that the Norwegian Government decides or consents to have these liquids processed in the Federal Republic of Germany.

In no case shall the terminal include facilities for refining, other subsequent processing or marketing.

10. "Continental shelf of the Federal Republic of Germany" and "Norwegian continental shelf" mean those parts of the continental shelf appertaining to the Federal Republic of Germany and Norway, respectively.

*Article 24.* This Agreement shall also apply to *Land Berlin* provided that the Government of the Federal Republic of Germany has not delivered a contrary declaration to the Norwegian Government within three months from the date of entry into force of the Agreement.

*Article 25.* 1. This Agreement shall be subject to ratification. The instruments of ratification shall be exchanged at Oslo as soon as possible.

2. This Agreement shall enter into force on the date of the exchange of the instruments of ratification. It shall continue in force until the two Governments agree otherwise.

DONE at Bonn on 16 January 1974 in duplicate, in the German and Norwegian languages, both texts being equally authentic.

For the Federal Republic of Germany:

SACHS  
ROHWEDDER

For the Kingdom of Norway:

EINAR-FREDRIK OFSTAD