

**No. 22939**

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**FINLAND  
and  
SWEDEN**

**Agreement on co-operation for the implementation of the  
Tele-X Telecommunications Satellite Project (with annexes).  
Signed at Stockholm on 29 October 1983**

*Authentic texts: Finnish and Swedish.*

*Registered by Finland on 15 June 1984.*

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**FINLANDE  
et  
SUÈDE**

**Accord de coopération en vue de la réalisation du projet de  
télécommunication par satellite Télé-X (avec annexes).  
Signé à Stockholm le 29 octobre 1983**

*Textes authentiques : finnois et suédois.*

*Enregistré par la Finlande le 15 juin 1984.*

[TRANSLATION — TRADUCTION]

AGREEMENT<sup>1</sup> BETWEEN THE GOVERNMENT OF THE REPUBLIC OF FINLAND AND THE GOVERNMENT OF THE KINGDOM OF SWEDEN ON CO-OPERATION FOR THE IMPLEMENTATION OF THE TELE-X TELECOMMUNICATIONS SATELLITE PROJECT

The Government of the Republic of Finland and the Government of the Kingdom of Sweden,

Noting that the importance of telecommunications satellite technology in modern society has been growing rapidly at the same time as such activity is benefiting the development of the high technology industry,

Believing that the concentration of efforts in the field of telecommunications satellites, with the application of advanced digital technology, leads to a significant improvement of the competence of the industries concerned and provides the participating industrial enterprises with opportunities to enhance their international competitiveness,

Bearing in mind that on 27 March 1982 the Nordic Council of Ministers decided to begin a study phase as a component in the development of a programme of co-operation in radio and television and in telecommunications, based on transmission via a satellite system,

Noting that the Swedish Government has invited participation in the Swedish-initiated Tele-X telecommunications satellite project,

Noting further that on 11 April 1983 Sweden and Norway concluded an Agreement on Co-operation in the Field of Telecommunications Satellites, which entered into force on 10 September 1983,

Having noted that, as a consequence of the Agreement between Sweden and Norway, the Tele-X project will be implemented by the organization which, in accordance with the Agreement, was specially established for that purpose and in pursuance of the Accord concerning the implementation of the Tele-X project which was concluded in accordance with the Statute of the Nordic Telecommunications Satellite Consortium (hereinafter referred to as "the Statute"), annexed to that Agreement,

Bearing in mind section 12 of the Statute, have agreed as follows:

*Article 1.* The Contracting Parties shall establish co-operation in the field of telecommunications satellites with a view to enabling each country, through participation in the Tele-X project, to build up its competence, expertise and industrial competitiveness in satellite technology and to benefit from the practical applications which such technology makes possible.

The objectives of participation in the Tele-X project shall be:

- To give the industry of the participating countries the opportunity to develop and supply equipment for the project in order that their industrial enterprises may

<sup>1</sup> Came into force on 29 January 1984, i.e., 30 days after the date on which the Contracting Parties had notified each other (on 30 December 1983) of the completion of the required constitutional procedures, in accordance with article 11.

become competitive in the supplying of equipment for future operational telecommunications satellite systems;

- To give the participating countries the opportunity to gain experience in the area of radio and television broadcasting and of new digital forms of communication via satellite; and
- To give the telecommunications administrations of the participating countries the opportunity to gain experience in new satellite communications.

*Article 2.* The Tele-X Project shall comprise the development and manufacture of a Tele-X satellite, the launching of the satellite and its positioning in geostationary orbit, the development and construction of earth stations for communication via the satellite, the guidance and monitoring of the satellite in orbit, project management and experiments concerning the new telecommunications services which the system offers. A comprehensive description of the content of the project is given in the "Technical description of Tele-X" delivered by the Government of Sweden to the Government of Finland on the occasion of the signing of this Agreement.

*Article 3.* Guidelines for Finland's industrial participation in the project are laid down in annex 1.

*Article 4.* Finland's participation in the financing of the costs of the Tele-X project is defined in annex 2. Financing in accordance with annex 2 shall not, however, include the experimental stage.

*Article 5.* The Parties affirm that, as a consequence of the aforementioned Agreement between Sweden and Norway, the Nordic Telecommunications Satellite Consortium shall be responsible for the implementation of the Tele-X project.

The Parties have agreed that Finland shall be represented in the Nordic Telecommunications Satellite Consortium in the following manner:

- By four (4) observers in the Assembly mentioned in section 4 of the Statute;
- By three (3) observers in the Consortium's Board of Directors mentioned in section 5 of the Statute;
- By three (3) observers in the Board of Directors of the Purchasing Company mentioned in section 6 of the Statute, who shall be the same as the observers in the Board of Directors of the Consortium.

The observers shall be appointed by the Finnish Government after consultations between the Contracting Parties. Observers shall have the right to participate in discussions but shall not have the right to vote in decisions taken by the organ in which they serve.

*Article 6.* If there is any Finnish participation in the experimental stage of Tele-X or another use of the Tele-X satellite, it shall take place in accordance with a special accord, having due regard to the provisions of annex 1, section 2, third paragraph.

Such use shall be so established as to ensure a reasonable division between the countries taking part in the project.

*Article 7.* In order to monitor the implementation of this Agreement, the Contracting Parties shall set up a Mixed Committee.

The Committee shall be responsible for the adoption of such measures as are necessary to ensure that the objectives of the co-operation can be attained and that the Contracting Parties are kept fully informed about such co-operation.

The Government of Finland and the Government of Sweden shall each appoint as members of the Committee one (1) representative and three (3) deputy representatives. Deputy representatives shall have the right to attend and speak at meetings even when they are not substituting for a regular member.

Norway shall have the right to be represented by observers at the meetings of the Committee.

The meetings of the Committee shall be presided over by a Chairman. The post of Chairman shall alternate annually between the Contracting Parties.

A quorum shall exist when each Contracting Party is represented. For the taking of a decision by the Committee, it shall be required that the members should be agreed on the decision.

The Chairman of the Committee shall see to it that meetings are held when necessary. If a member of the Committee requests that the Committee should be convened, that request shall be granted.

*Article 8.* This Agreement shall be implemented with due regard for the other international obligations of the Contracting Parties.

*Article 9.* If a dispute arises between the Contracting Parties with respect to the interpretation or application of this Agreement and cannot be settled by negotiation, it shall be submitted for settlement to an arbitral tribunal or to another institution or person agreeable to both Parties.

The Contracting Parties undertake to comply with every decision taken in the manner described in the preceding paragraph.

*Article 10.* The annexes to this Agreement shall constitute an integral part of the Agreement.

The Mixed Committee shall, in accordance with the provisions of article 7, second paragraph, be empowered to decide upon such amendments to annex 1 and annex 2 to this Agreement as may be deemed necessary in the light of experience acquired in the course of co-operation. Amendments to annex 1 shall enter into force in accordance with the Committee's decision. Amendments to annex 2 shall enter into force on the date on which the Contracting Parties notify each other through the diplomatic channel that the constitutional procedures required for the entry into force of the amendment have been carried out.

*Article 11.* This Agreement shall enter into force 30 days after the date on which the Contracting Parties notify each other through the diplomatic channel that the constitutional procedures required for the entry into force of the Agreement have been carried out.

*Article 12.* This Agreement may not be denounced before the end of the year 1988. If after the end of the year 1988 one of the Contracting Parties wishes to denounce the Agreement, it shall do so in writing through the diplomatic channel. In the event of such denunciation, the Agreement shall cease to have effect in relations between the Contracting Parties 12 months after the date on which the other Party

receives notification of the denunciation. Denunciation shall not affect such obligations or rights of the Contracting Parties as have already come into existence on the basis of this Agreement.

IN WITNESS WHEREOF the undersigned, being duly authorized thereto, have signed this Agreement at Stockholm on 29 October 1983, in duplicate in the Finnish and Swedish languages, both texts being equally authentic.

For the Government  
of the Republic of Finland:  
SEPPO LINDBLOM

For the Government  
of the Kingdom of Sweden:  
THAGE G. PETERSON

## ANNEX 1

### INDUSTRIAL POLICY REQUIREMENTS FOR TELE-X CO-OPERATION BETWEEN FINLAND AND SWEDEN

#### 1. *Industrial participation*

The following guidelines concerning Finnish industrial participation in Tele-X are based on the provision of deliveries by the industry in question on terms which are reasonable with respect to the prerequisites for the successful implementation of the Tele-X project.

Finnish enterprises intend to participate in the Tele-X project in accordance with the following:

*Teleste Oy.* Teleste shall develop and supply 10 video receiving stations (VROS) as a subcontractor to Ericsson.

*Valmet Oy.* Valmet shall be responsible for developing and manufacturing antenna and tracking systems for the TV transmitting earth station (FLS) as a subcontractor to Ericsson.

*Oy Nokia Ab.* Nokia shall take part in the systems analysis of the TT&C station's control centre together with Svenska rymdaktiebolaget (hereinafter referred to as the Space Corporation) and shall develop and deliver equipment for the station's control room and programming equipment for communications and data processing.

#### 2. *Other industrial activities*

In addition to the aforementioned deliveries, a Party shall have the option to order, on its own behalf and at its own cost, additional specimens of the above-mentioned or similar products; however, the use of the Tele-X satellite shall require the conclusion of a separate accord on the subject in accordance with article 6 of the Agreement.

It is noted that the Space Corporation has, upon inquiry, undertaken that, during the year 1985 at the latest, it will deliver to the Finnish enterprises participating in the project and designated by the Government of Finland the then-current specifications for the Tele-X earth segment (EARTHSPEC) with respect to DVCS (data and video control station), DS (data station), MDVS (multipurpose data and video station), TVDS (transportable data and video station) and FVSS (fixed video and sound station), and will grant to the enterprises concerned the right to develop and market on their own initiative earth stations for an operational system based on the aforementioned EARTHSPEC.

In the use of the Tele-X satellite for telecommunications, data and video services during a period which shall extend to the month of December 1988 inclusive but shall cover at least two years from the time when the satellite becomes available for experimental activity, the equipment used shall be the equipment specified in the industrial contracts concluded as part of the project with the industries of the participating countries.

3. *Deliveries for Tele-X on the basis of competitive bidding*

It is noted that the Space Corporation has, upon inquiry, stated that, in cases in which the Space Corporation opens deliveries for Tele-X or other similar subcontracted deliveries for competitive bidding among Nordic enterprises, the Space Corporation shall send out the invitation for bids together with the relevant basic information (RFP), to qualified Finnish enterprises as well and shall see to it that they have the opportunity to submit bids on terms similar to those available to other Nordic enterprises.

4. *Industrial participation in other satellite projects*

In so far as Finland's participation in the Tele-X project makes possible industrial participation in other European satellite projects, the Contracting Parties shall endeavour to ensure that Finnish industry, as a part of the Parties' continuing co-operation, is given the opportunity for such participation.

5. *Employment of Finnish personnel*

It is noted that the Operating Company and the Space Corporation have, upon inquiry, each on its own behalf, stated that, as a part of co-operation in the field of telecommunication satellites, they shall also endeavour to employ Finnish personnel for the implementation of the Tele-X project.

## ANNEX 2

### FINLAND'S PARTICIPATION IN THE FINANCING OF THE COSTS OF THE TELE-X PROJECT

1. *Finland's financial commitment in the project*

1.1. *Participation in the financing of general costs for the Tele-X project*

As a contribution to the financing of the Tele-X project, Finland shall, in payment on Sweden's account of the additional capital payment to the Purchasing Company, pay 25 million Swedish kronor in January 1984.

1.2. *Finnish industrial participation in the Tele-X project*

In addition to the provision of section 1.1, Finland shall assume liability for the costs of Finnish industrial participation in the Tele-X project in accordance with annex 1, but in an amount not exceeding 26 million Finnish markkaa at October 1983 prices. Funds for such participation shall be made available by Finland, in advance quarterly payments, to the Swedish Space Corporation (the Space Corporation) at the rate required for payments to Finnish industry, but in an amount not exceeding 1 million Finnish markkaa before 1 January 1985. The Parties note that the Space Corporation has declared its intention — provided that the required official authorization is received — to deposit the funds in a Finnish bank or make other arrangements for the avoidance of risks due to currency fluctuations and of exchange costs.

The maximum amount mentioned in the preceding paragraph for Finnish industrial participation in the Tele-X project shall be adjusted for price changes in accordance with the following formula:

$$FIN = FIN_o (0.1 + 0.70 \times L/L_o + 0.20 M/M_o),$$

where:

FIN = the adjusted maximum amount of Finnish industrial participation in Tele-X

FIN<sub>o</sub> = 26 million Finnish markkaa (October 1983 prices)

L = wage-cost index for Finnish industry at the time of payment

L<sub>o</sub> = the same for October 1983

M = the producer-price index for Finnish industry, electrotechnical machinery and apparatus at the time of payment

M<sub>o</sub> = the same for October 1983

1.3. The financial participation referred to in sections 1.1 and 1.2 shall be based on Finnish industrial participation in the Tele-X project primarily in accordance with the provisions of annex 1 to the Agreement between Sweden and Finland. If the extent of Finnish industry's participation in accordance with the plans described therein changes substantially, a Party shall have the right to call for the necessary adjustments in the financing described above. In the event of cancellation or diminution of Finnish industrial participation in the project as provided for in annex 1, the cancellation shall be compensated in the first instance by other Finnish participation in the project.

#### 1.4. *Insurance*

The Parties note that the launching of the Tele-X satellite in accordance with the Agreement between the Government of Sweden and the Government of Norway shall be insured and the cost of such insurance shall not be included in the costs established for the project. The decision concerning Finnish participation in the cost of such insurance shall be taken by the Mixed Committee on the initiative of the representative of Finland.

## 2. *Other matters*

If the Purchasing Company is liquidated, then, from the amount allotted to Sweden, Finland shall be entitled to 3 per cent of the Company's material value, if any, after deduction of additional capital payments in accordance with section 8 (b) of the shareholders' accord for the Purchasing Company and deduction of any other financing of capital needs referred to therein.

If, however, Finland does not share in the costs of insurance of the launching of the Tele-X satellite in accordance with 1.4 above, then, if any damage covered by the insurance occurs, Finland shall not receive any compensation in the event of liquidation of the Purchasing Company.