

AGREEMENT CONCERNING THE OPERATION OF THE ICELANDIC STATION OF THE NORTHEAST LORAN CHAIN.

SIGNED AT MONTREAL, APRIL 30, 1947

Note addressed to the President of the Interim Council of the International Civil Aviation Organization by the Representatives of the Contracting States

MONTREAL, 30 April, 1947.

Sir,

The undersigned, representing governments which are desirous of assuring the continued operation of the Icelandic station of the Northeast Loran chain, and which are prepared to make contributions to the cost of operating that station in accordance with the terms of Chapter XV of the International Convention on Civil Aviation, hereby advise you of the conditions under which their Governments will be able to make such contributions.

It is understood (1) that Iceland will maintain and operate the station in accordance with established standards of efficiency, employing competent personnel; (2) that Iceland may call upon ICAO for technical advice and assistance in the operation and maintenance of the station, and that such advice and assistance will be furnished by ICAO to the extent of its capacity; (3) that ICAO may inspect the station, its equipment and all matters related thereto and may make recommendations to Iceland regarding the operation, maintenance, and administration of the station; (4) that in the event that the station in the view of ICAO continues to be operated inefficiently, ICAO may provide with the consent of Iceland, for technical assistance in the supervision and operation of the station until such time as the station is brought into satisfactory operating condition; (5) that in the event of other measures failing to achieve satisfactory operation, the parties shall consult regarding the remedial measures to be taken, and (6) that the station, its buildings, materials, supplies, equipment, and other goods, will be without charge assigned to Iceland for operation during the period under the present arrangement and that the Governments of the United Kingdom and the United States will initiate the appropriate action to this effect.

In consideration of such operation, the contributing governments will pay to ICAO:

1. For transfer to Iceland, its direct outlay for personnel and material to operate the station, plus administrative overhead not exceeding 10% of operating cost, plus all expenses incurred during the period from 7 November 1946, including the amount payable to the Government of the United Kingdom (not to exceed £1500) for highway construction and necessary repairs to the station;
2. The actual out-of-pocket expenses of ICAO for services in connection with the operation of the station or development of the terms of the agreement to insure the continuance of the operation, but excluding any general administrative expenses or overhead.

The maximum total amounts for which the undersigned states will consider themselves liable, without any further assent of their authorized representatives to ICAO will be:

1. For payments to Iceland, \$30,000 for the period from 7 November 1946 to 31 March 1947, plus an average of \$6,000 per month thereafter.