

Party in whose territory the traffic originates or terminates. However, where, for any Signatory, the ratio of the ship part to the land part exceeds 20 : 1, that Signatory shall, upon application to the Council, be attributed a utilization equivalent to twice the land part or an investment share of 0.1 per cent, whichever is higher. Structures operating in the marine environment, for which access to the INMARSAT space segment has been permitted by the Council, shall be considered as ships for the purpose of this paragraph.

(3) Prior to determination of investment shares on the basis of utilization pursuant to paragraphs (1), (2) and (4), the investment share of each Signatory shall be established in accordance with the Annex to this Agreement.

(4) The first determination of investment shares based on utilization pursuant to paragraphs (1) and (2) shall be made not less than two nor more than three years from the commencement of operational use of the INMARSAT space segment in the Atlantic, Pacific and Indian Ocean areas, the specific date of determination to be decided by the Council. For the purposes of this first determination, utilization shall be measured over the one year period prior to such determination.

(5) Subsequent to the first determination on the basis of utilization, investment shares shall be redetermined to be effective:

- (a) Upon one-year intervals after the first determination of investment shares on the basis of utilization, based on the utilization of all Signatories during the previous year.
- (b) Upon the date of entry into force of this Agreement for a new Signatory.
- (c) Upon the effective date of withdrawal or termination of membership of a Signatory.

(6) The investment share of a Signatory which becomes a Signatory after the first determination of investment shares on the basis of utilization, shall be determined by the Council.

(7) To the extent that an investment share is determined pursuant to paragraph (5)(b) or (c) or paragraph (8), the investment shares of all other Signatories shall be adjusted in the proportion that their respective investment shares, held prior to this adjustment, bear to each other. On the withdrawal or termination of membership of a Signatory, investment shares of 0.05 per cent determined in accordance with paragraph (8) shall not be increased.

(8) Notwithstanding any provisions of this Article, no Signatory shall have an investment share of less than 0.05 per cent of the total investment shares.

(9) In any new determination of investment shares the share of any Signatory shall not be increased in one step by more than 50 per cent of its initial share, or decreased by more than 50 per cent of its current share.

(10) Any unallocated investment shares, after application of paragraphs (2) and (9) shall be made available and apportioned by the Council among Signatories wishing to increase their investment shares. Such additional allocation shall not increase any share by more than 50 per cent of a Signatory's current investment share.

(11) Any residual unallocated investment shares, after application of paragraph (10), shall be distributed among the Signatories in proportion to the investment shares which would otherwise have applied after any new determination, subject to paragraphs (8) and (9).