

No. 791

**INTERNATIONAL CIVIL AVIATION ORGANIZATION
and
DENMARK**

**Agreement on certain air navigation services in Greenland and
the Faroes (with annexes). Signed at Montreal, on
9 September 1949**

Official texts: English, French and Spanish.

Registered by the International Civil Aviation Organization on 1 May 1950.

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

**Accord au sujet de certains services de navigation aérienne au
Groenland et dans les Iles Féroé (avec annexes). Signé à
Montréal, le 9 septembre 1949**

Textes officiels anglais, français et espagnol.

Enregistré par l'Organisation de l'aviation civile internationale le 1^{er} mai 1950.

No. 791. AGREEMENT¹ BETWEEN THE COUNCIL OF THE INTERNATIONAL CIVIL AVIATION ORGANIZATION AND THE GOVERNMENT OF DENMARK ON CERTAIN AIR NAVIGATION SERVICES IN GREENLAND AND THE FAROES. SIGNED AT MONTREAL, ON 9 SEPTEMBER 1949

WHEREAS the Final Act of the ICAO Conference on Air Navigation Services: Greenland and the Faroes was signed in London on 12th May, 1949, on behalf of certain interested States, members of the International Civil Aviation Organization; and

WHEREAS the Council of the International Civil Aviation Organization, at its meeting held on 6th June, 1949, accepted the recommendations contained in the Resolution adopted by the Conference, as set out in Appendix I to the said Final Act, and resolved that action would be taken in accordance therewith, including the assessment of the States consenting thereto pursuant to Chapter XV of the Convention on International Civil Aviation², and further decided, in accordance with the said Chapter XV, to enter into an agreement with the Government of Denmark to give effect to the purposes of the said Resolution;

NOW THEREFORE, the Council of the International Civil Aviation Organization and the Government of Denmark HAVE MUTUALLY AGREED TO THE PROVISIONS, TERMS AND CONDITIONS HEREINAFTER SET FORTH:

Article 1

For the purposes of this Agreement, the expressions:

- (a) "Final Act" means the Final Act of the ICAO Conference on Air Navigation Services; Greenland and the Faroes, dated 12th May, 1949;
- (b) "Organization" means the International Civil Aviation Organization;

¹ Came into force on 9 September 1949, as from the date of signature, in accordance with article 13.

² United Nations, *Treaty Series*, Volume 15, page 295; Volume 26, page 420; Volume 32, page 402; Volume 33, page 352; Volume 44, page 346 and Volume 51, page 336.

- (c) "Council" means the Council of the International Civil Aviation Organization;
- (d) "Denmark" means the Government of Denmark;
- (e) "States" means the Governments of the States which through their consent to assessment by the Council, are or may become parties to the Arrangement set out in the Resolution in Appendix I to the Final Act;
- (f) "Services" means the LORAN Services at Skuvanes in the Faroes together with the Air Navigation Services in Greenland (hereinafter called separately LORAN Services and Greenland Services), on account of which international financing is being provided pursuant to this Agreement.

Article 2

Denmark shall:

- (a) operate and maintain the LORAN Services, as set forth in Part A (I) of Annex I hereto, and the Greenland Services as set forth in Part A (II) of Annex I, hereto,
- (b) provide as soon as possible, following request by the Council, and operate and maintain the new LORAN Services, as set forth in Part B (I) of Annex I hereto and the new Greenland Services, as set forth in Part B (II) of Annex I hereto, and
- (c) provide, operate and maintain such additional services as may be agreed upon between Denmark and the Council, subject to the consent of the States in any case where the addition is of a substantial nature.

Article 3

- (a) Denmark 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 the applicable Standards, Recommended Practices, Procedures and Specifications of services adopted or recommended by the Council.
- (b) Subject to the provisions of Annex I to this Agreement, the manner of taking meteorological observations and of making and disseminating meteorological reports shall be in accordance with the appropriate procedures and specifications promulgated by the International Meteorological Organization.
- (c) Denmark shall notify the Council immediately of any emergency necessitating any temporary change or curtailment of the Services, or any

of them, and Denmark 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 the Services, including any equipment used in connection therewith.

(b) Denmark 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 Denmark, provide, to the fullest practicable extent, such advice as Denmark may reasonably require in regard to the discharge of its obligations under this Agreement.

(d) In the event of any failure by Denmark efficiently to operate and maintain any of the Services, there shall be consultation between Denmark 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 Denmark at the earliest possible date, the sums of 1,076,350, — Danish Kroner and 7,357,500, — Danish Kroner for reimbursement to Denmark of expenses, in respect of the LORAN Services and Greenland Services respectively incurred during the period ending 31st December, 1949.

(b) The Council shall pay or cause to be paid to Denmark the sums of 350,550, — Danish Kroner and 3,321,000, — Danish Kroner for expenses in respect of the LORAN Services and the Greenland Services respectively, incurred during the year 1950. Payments by the Council to Denmark shall be made in respect of each quarter not later than the first day of the second month in that quarter.

(c) Commencing with the year 1951, the Council shall pay or cause to be paid to Denmark for each year (i) 95% of the actual approved cost of providing, operating and maintaining the LORAN Services and (ii) 90% of the actual approved cost of providing, operating and maintaining the Greenland Services; the items of cost to be set forth as in Annexes II and III hereto. Denmark shall bear the remainder of such costs. Payment by the Council to Denmark shall be made in respect of each quarter, not later than the first day of the second month in that 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 material imported

into Denmark, the Faroes or Greenland for direct and exclusive application to the purposes of this Agreement, shall not be included in such cost. The amount payable to Denmark in respect of any calendar year shall not exceed 350.550, — Danish Kroner and 3.321.000, — Danish Kroner, for the LORAN Services and the Greenland Services respectively, unless otherwise agreed, as provided in paragraph 3 (b) of the Resolution in Appendix I to the Final Act.

Article 6

(a) Commencing with the year 1950, Denmark shall furnish to the Council, on or before 31st October, an estimate of the cost of the LORAN Services and the Greenland Services respectively for the following calendar year. The estimates shall be drawn up in accordance with Annexes II and III hereto, and shall be subject to approval by the Council.

(b) In presenting its estimates in 1950 for the following year, Denmark shall report on the extent to which it has found it possible to carry out the recommendations referred to in Part III (b) of the Final Act. In the consideration of such report, the Council and Denmark shall consult together with a view to achieving as far as practicable the reduction of working expendables, provisions, and cost of personnel.

(c) Denmark shall furnish to the Council, not later than six months after the end of each calendar year, a statement of the actual cost of the LORAN Services and the Greenland Services respectively during that year.

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

(e) Denmark 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 cost of each of the Services during that quarter.

(f) Denmark 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 on the extent to which each of the Services are being used by aircraft of any nationality.

(g) After the approval of the statement of actual cost for any year, beginning with the statement for the year 1950, the Council may make adjustments in any subsequent quarterly payments to take account of any differences between the total estimated cost of each of the Services and the actual cost in the year in question.

Article 7

(a) Denmark shall not be entitled, without prior approval of the Council, to any contribution in respect of capital expenditures on account of any of the Services, except for renewal of equipment from the provision for depreciation or except as otherwise provided in this Agreement. In the event that new capital expenditures are proposed by either party, Denmark shall provide the Council with an estimate of the cost thereof together with such specifications, plans and other information as may be required in regard thereto by the Council, and Denmark shall consult with the Council concerning the methods of supply, design or construction to be adopted.

(b) When approval for new capital expenditures has been given by the Council pursuant to this Article, Annex I and Annex II hereto, as appropriate, shall be amended accordingly and the charges resulting from such expenditure, as determined in accordance with Annex III (C), shall be reimbursed to Denmark to the extent of 95% thereof in respect of the LORAN Services and 90% thereof in respect of the Greenland Services in accordance with the terms of this Agreement.

Article 8

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

(b) If a State makes any payment directly to Denmark, such payment shall be made in the currency of the State concerned, unless Denmark agrees otherwise and Denmark 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 Danish Krone 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 Danish Krone shall be determined on the basis of such par values;

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

(3) In the event that there is more than one legal rate of exchange for the Danish Krone 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 Denmark and the paying State.

Article 9

The obligation of the Council to make payments to Denmark 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, Denmark shall not impose charges for the use of any of the Services.

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

(c) Any charges collected by Denmark with the consent of the Council from users of the LORAN Services and the Greenland Services, whether contributing States or not, shall be offset respectively, as to 95% thereof against the total of the payments due to Denmark in respect of the LORAN Services and as to 90% thereof against the total of the payments due to Denmark in respect of the Greenland Services.

Article 11

Denmark 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

Denmark shall, to the fullest possible extent, cooperate 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 the Specialized Agencies of the United Nations,¹ including Annex III (2) thereto.

¹ United Nations, *Treaty Series*, Volume 33, page 261; Volume 43, page 342; Volume 46, page 355 and Volume 51, page 330.

Article 13

This Agreement shall come into force upon signature. However, pending the consent to assessments in respect of the payments due to Denmark under Article 5 (a) by States whose aggregate assessments total not less than 80% of such payments, the Council shall be liable to pay to Denmark only such monies on account of the LORAN Services and the Greenland Services respectively as the States which contribute them may specifically authorize.

Article 14

(a) This Agreement may be terminated by Denmark, in respect of either or both of the Services, on 31st December in any year, by notice in writing given to the Council not later than 1st January of that year.

(b) If the value of the Danish Krone varies to an extent which makes it impossible for Denmark to perform the LORAN Services within a maximum expenditure of 369.000, — Danish Kroner and/or the Greenland Services within a maximum expenditure of 3.690.000, — Danish Kroner in any year commencing with 1951, Denmark 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 Denmark, shall determine the amount required. If necessary, the Council shall then approach the States with a view to obtaining consents to additional assessments. Unless, within three months after the Council has determined the additional amount required, it notifies Denmark that it is prepared to provide for the payment to Denmark of such amount, Denmark may thereafter terminate this Agreement by three month's notice in writing given to the Council.

(c) This Agreement may be terminated by the Council, in respect of either or both of the Services, on 31st December in any year, by notice given to Denmark in writing not later than 30th April in that year.

(d) In the event that one or more States have notified the Council of their withdrawal from participation in the Arrangement set out in the Resolution in Appendix I to the Final Act by reason of an emergency outside the control of the State or States concerned which prevents such State or States from making use of either or both of the Services, and if the Council considers that such withdrawal renders the continued performance of this Agreement impracticable with respect to the Services in question, the Council may terminate this Agreement at any time, notwithstanding the provisions of paragraph (c) of this Article, in respect of either or both of the Services, upon three months' notice given to Denmark in writing.

Article 15

(a) In the event of termination of this Agreement by the Council, in respect of either or both of the Services, the Council shall pay to Denmark an equitable amount by way of compensation for authorized new capital expenditures undertaken by Denmark 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 Denmark under the terms of Article 14 (a), in respect of either or both of the Services, Denmark shall pay to the Council, or the Council may offset against payments due to Denmark hereunder, a sum representing equitable compensation for any benefits to Denmark from its acquisition for its own purposes of moveable or immovable property the cost of which had been partially or wholly reimbursed to Denmark 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 Denmark 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 Resolution in Appendix I to the Final Act or any modification of that Arrangement.

Article 18

The Council shall notify to Denmark the names of the States parties to the Arrangement as defined in Article 1 (e) of this Agreement.

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

DONE in Montreal, in duplicate, in English, French and Spanish, the ninth day of the month of September, 1949.

For the Council of the Organization
(Signed) Edward WARNER

For the Government of Denmark
(Signed) G. HOLLER

ANNEX I

EXISTING AND NEW SERVICES

PART A — EXISTING SERVICES TO BE MAINTAINED

I

LORAN Services in the Faroe Islands

Specification for Radio Navigation Services required

1. A standard Loran Double Master Station complete with monitoring facilities at Skuvanes Head, providing, in association with Slave Stations at Vik, Iceland and Mangerstar, Hebrides, a continuous radio navigation service using LORAN rates 115 and 116 in the North East Atlantic Area, the station to comprise all equipment necessary for the provision of this service with a minimum of interruption due to failure of its component parts.
2. Fixed service radio communication with the Slave Station at Vik and Mangerstar.

II

Greenland Services

A. *Meteorological Services*

1. Synoptic surface and upper air reports to be made in accordance with the following table:

<i>Meteorological Station **</i>	<i>6-hourly</i>	<i>3-hourly</i>	<i>Hourly</i>	<i>Pilot Balloon</i>	<i>Radio Sonde</i>	<i>Radiowind</i>
Danmarkshavn	*	*		2*	2*	
Kap Tobin	*	*			2	2
Kangerdlugssuak/Aputiteq	*	*			2	2
Angmagssalik	*	*			2	
Tingmiarmiut	*	*		2		
Prins Christianssund	*	*	*			
Godthaab	*	*		2		
Upernavik	*	*		2		
Thule	*	*			2	2

* By visual observation of the radiosonde balloon.

** The location of the stations in Greenland referred to in the Annexes I, II, III to this Resolution is indicated on the Map in Annex IV.

2. 6-hourly observations should be made at the main synoptic hours, i.e. 00, 06, 12 and 18 hours G.M.T.

3-hourly observations should be made at the main and intermediate synoptic hours, i.e. 00, 03, 06, 09, 12, 15, 18 and 21 hours G.M.T.

Radiosonde ascents made twice daily should be at 03 and 15 hours G.M.T.

Radiowind ascents made four times daily should be at 03, 09, 15 and 21 hours G.M.T.

3. The pilot balloon ascents to be carried out at Tingmiarmiut, Godthaab and Upernavik pending the results of an investigation concerning the reliability of these observations.

B. *Meteorological Communications Services*

1. Reports from the meteorological station at Danmarkshavn, Kap Tobin, Kangerdlugssuak/Aputiteq, Tingmiarmiut and Prins Christianssund to be collected on a scheduled basis by radiotelegraph at Angmagssalik.
2. Reports from the meteorological stations at Godthaab, Upernavik, Thule, Narssarssuak, Søndre Strømfjord, Umanak, Jakobshavn, and Qutdligssat (the last five stations are not included in the Joint Support Scheme) to be collected on a scheduled basis by radiotelegraph at Godhavn.
3. Collective messages of the reports referred to in paras. 1 and 2 to be exchanged between Godhavn and Angmagssalik.
4. Collective messages of the reports referred to in paras. 1 and 2 should be transmitted by Godhavn to Narssarssuak and/or Søndre Strømfjord.
5. Collective messages of all Greenland surface and upper air reports to be sent from Angmagssalik to Copenhagen by point to point radiotelegraph circuit.
6. Collective messages of all Greenland surface and upper air reports to be sent from Godhavn to North America, either directly or via Narssarssuak.

C. *Radio Aides to Navigation*

Following aids to be maintained, subject to reconsideration by the Council if the actual conditions of operation are modified.

Station	Type	Class	Ident	Frequency		Type of Emission
				Trans	Rec	
Prins Christianssund	Range	MRLZ	OU	335 kc/s	4220 kc/s	A2, A3
	Radio Beacon	—	OU	447 kc/s		A2

PART B — NEW SERVICES TO BE PROVIDED

I

Services in the Faroe Islands

Technical Specification for replacement LORAN Equipment relocation of Radio Communication Station

1. Type T — 137 LORAN Transmitters to replace those at present in operation in accordance with the resolution of the Special Administrative Conference for the North Atlantic (LORAN) of the I.T.U.
2. The removal of the radio communication station providing fixed communication with Vik and Mangerstar from the domestic site to the LORAN station proper. At such time as this is effected, two radio operators to be deleted from the establishment of the station and their duties performed by other personnel employed at the LORAN station — (e.g. the technicians of Oscilloscope watchers).

II

Greenland Services

A. *Meteorological Services*

The resiting of the existing station at Kangerdlugssuak to a location in the same area (Aputiteq is suggested).

B. *Meteorological Telecommunications Services*

Collective messages to be broadcast from Angmagssalik simultaneously on 3 frequencies on a scheduled basis immediately prior to being transmitted by point to point methods.

ANNEX II

ANALYSIS OF CAPITAL COST

I

EXISTING LORAN SERVICES IN THE FAROE ISLANDS

<i>Item</i>	<i>Buildings — assumed value in Danish Kroner (subject to audit)</i>	<i>Equipment — assumed value in Danish Kroner (subject to audit)</i>	<i>Date of commencement of depreciation</i>
Station buildings	33.234,57		} 1st April, 1949
Camp buildings	80.633,33		
3 Residential buildings	221.250,—		
Equipment		15.027,37	
3 Diesel engines		70.000,—	

II

EXISTING GREENLAND SERVICES

Station Angmagssalik

<i>Item</i>	<i>Buildings — assumed value in Danish Kroner (subject to audit)</i>	<i>Equipment — assumed value in Danish Kroner (subject to audit)</i>	<i>Construction costs and freights</i>	<i>Date of commencement of depreciation</i>
Machinery		213,000,—		1st April, 1949
Radio equipment		297,400,—		
Storage batteries		6,000,—		
Antennae towers and counterpoises		167,000,—		
Telephone equipment		18,000,—		
Armoured cable and junction boxes		24,300,—		
Radiosonde equipment		117,415,—		
Meteorological equipment		2,695,—		
Motor vehicles		86,000,—		
Machine tools and tools		34,000,—		
Tanks		310,000,—		
Office machines		2,800,—		
Buildings	679,000,—			
Motorboats and rowboats		12,000,—		
General construction charges pertaining to building of stations			100,000,—	
Additional charged on all capital investment towards cost of transportation			100,000,—	
TOTAL	679,000,—	1,290,610,—	200,000,—	

Station Danmarkshavn

Item	Buildings — assumed value in Danish Kroner (subject to audit)	Equipment — assumed value in Danish Kroner (subject to audit)	Construction costs and freights	Date of commencement of depreciation
Machinery		78,500,—		1st April, 1949
Radio equipment		93,000,—		
Storage batteries		2,000,—		
Antennae towers and counterpoises		70,000,—		
Radiosonde equipment		70,165,—		
Meteorological equipment		2,695,—		
Motor vehicles		38,000,—		
Tanks		25,000,—		
Office machines		1,600,—		
Machine tools and tools		22,400,—		
Buildings	291,000,—			
Motorboats and rowboats		13,600,—		
Armoured cable		6,000,—		
General construction charges pertaining to building stations			50,000,—	
Additional charge on all capital investment towards cost of transportation			85,000,—	
TOTAL	291,000,—	422,960,—	135,000,—	

Station Godhavn

Item	Buildings — assumed value in Danish Kroner (subject to audit)	Equipment — assumed value in Danish Kroner (subject to audit)	Construction and freights	Date of commencement of depreciation	
Machinery		136,000,—		1st April, 1949	
Radio equipment		184,000,—			
Antennae towers and counterpoises		70,000,—			
Receiving towers		12,000,—			
Storage batteries		6,000,—			
Telephone equipment		18,000,—			
Armoured cable and junction boxes		24,300,—			
Machine tools and tools		34,000,—			
Motor vehicles		46,000,—			
Office machines		2,000,—			
Buildings	322,000,—				
General construction charges pertaining to building of stations			60,000,—		
Additional charge on all capital investment towards cost of transportation			60,000,—		
TOTAL	322,000,—	532,300,—	120,000,—		

Station Godthaab

Item	Buildings — assumed value in Danish Kroner (subject to audit)	Equipment — assumed value in Danish Kroner (subject to audit)	Date of commencement of depreciation
Buildings	70.000,—		} 1st April, 1949
Meteorological equipment		2.445,—	
Upper Air equipment		17.985,—	
TOTAL	70.000,—	20.430,—	

Station Kap Tobin

Item	Buildings — assumed value in Danish Kroner (subject to audit)	Equipment — assumed value in Danish Kroner (subject to audit)	Construction costs and freights	Date of commencement of depreciation	
Machinery		136.000,—		} 1st April, 1949	
Radio equipment		93.000,—			
Storage batteries		2.000,—			
Antennae towers and coun- terpoises		70.000,—			
Radiosonde equipment		70.165,—			
Meteorological equipment		2.695,—			
Motor vehicles		65.000,—			
Tanks		150.000,—			
Machine tools and tools		22.400,—			
Motorboats and rowboats		13.600,—			
Armoured cable		11.500,—			
Buildings	608.000,—				
Telephone equipment		15.000,—			
General construction charges pertaining to building of station			75.000,—		
Additional charge on all capi- tal investment towards cost of transportation			100.000,—		
TOTAL	608.000,—	651.360,—	175.000,—		

Station Prins Christianssund

Item	Buildings — assumed value in Danish Kroner (subject to audit)	Date of commencement of depreciation
Buildings . .	125,000,—	1st April, 1949

Station Thule

Item	Buildings— assumed value in Danish Kroner (subject to audit)	Equipment — assumed value in Danish Kroner (subject to audit)	Construction costs and freights	Date of commencement of depreciation
Machinery		136,000,—		} 1st April, 1949
Radio equipment		93,000,—		
Storage batteries		2,000,—		
Antennae towers and coun- terpoises		70,000,—		
Motor vehicles		30,000,—		
Machine tools and tools . .		22,400,—		
Motorboats and rowboats . .		14,000,—		
Armoured cable		2,000,—		
Meters and other testing in- struments		4,000,—		
Telephone equipment		6,000,—		
Buildings	477,000,—			
General construction charges pertaining to building of Station			60,000,—	
Additional charge on all capi- tal investment towards cost of transportation			40,000,—	
TOTAL	477,000,—	379,400,—	100,000,—	

Station Tingmiarmiut

Item	Buildings — assumed value in Danish Kroner (subject to audit)	Equipment — assumed value in Danish Kroner subject to audit)	Construction costs and freights	Date of commencement of depreciation
Machinery		78,500,—		1st April, 1949
Radio equipment		93,000,—		
Storage batteries		2,000,—		
Antennae towers and counterpoises		70,000,—		
Upper air equipment.		17,985,—		
Meteorological equipment.		2,445,—		
Motor vehicles.		38,000,—		
Tanks		25,000,—		
Office machines		1,600,—		
Machine tools and tools		22,400,—		
Motorboats and rowboats.		13,600,—		
Buildings	172,000,—			
General construction charges pertaining to building of stations.			50,000,—	
Additional charge on all capital investment towards cost of transportation			85,000,—	
TOTAL	172,000,—	364,530,—	135,000,—	

Station Upernavik

Item	Buildings — assumed value in Danish Kroner (subject to audit)	Equipment — assumed value in Danish Kroner (subject to audit)	Construction costs and freights	Date of commencement of depreciation	
Machinery		78,500,—		1st April, 1949	
Radio equipment		93,000,—			
Storage batteries		2,000,—			
Antennae towers and counterpoises		70,000,—			
Upper air equipment.		17,985,—			
Meteorological equipment.		2,445,—			
Motor vehicles		27,000,—			
Office machines		1,600,—			
Machine tools and tools		22,400,—			
Buildings	246,000,—				
General construction charges pertaining to building of stations.			40,000,—		
Additional charge on all capital investment towards cost of transportation			45,000,—		
TOTAL	246,000,—	314,930,—	85,000,—		

III

NEW LORAN SERVICES TO BE PROVIDED IN THE FAROE ISLANDS

Item	Estimated Value in Danish Kroner
Type - T - 137 LORAN Transmitters	273,543,57* * Including estimated cost of installation

IV

NEW SERVICES TO BE PROVIDED IN GREENLAND

Station	Buildings — estimated values in Danish Kroner	Equipment — estimated values in Danish Kroner	Anticipated date of completion and of commencement of depreciation Buildings and Equipment
<i>Thule</i>			
1 House	60,000,—		
1 Oilstorage Tank		50,000,—	1st January, 1951
<i>Godhavn</i>			
5 Houses	300,000,—		
1 Oilstorage Tank		75,000,—	1st January, 1951
<i>Danmarkshavn</i>			
Roads and necessary landing facilities		20,000,—	1st January, 1951
<i>Kap Tobin</i>			
Conversion of Quarters Build- ing	30,000,—		
2 Houses	120,000,—		1st January, 1951
<i>Kangerdlugssuak/Aputiteq</i>			
Complete station	307,000,—	364,530,—	1st January, 1951
<i>Angmagssalik</i>			
Conversion of Quarters Build- ing	20,000,—		1st January, 1951
6 Houses	360,000,—		1st January, 1951
<i>Godthaab</i>			
1½ House	60,000,—		1st January, 1951
<i>Upernavik</i>			
2 Houses	120,000,—		1st January, 1951

ANNEX III

OPERATION, MAINTENANCE AND INDIRECT EXPENSES

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

- (1) LORAN station at Skuvanæs
- (2) Meteorological stations and communication stations
 - (a) Thule
 - (b) Upernavik
 - (c) Godhavn (communication facilities only)
 - (d) Gothaab
 - (e) Prins Christianssund
 - (f) Tingmiarmiut
 - (g) Angmagssalik
 - (h) Kangerdlugssuak/Aputiteq
 - (i) Kap Tobin
 - (j) Danmarkshavn

shall be based on the elements enumerated in Annexes II and III. These estimates and accounts shall be rendered station by station. Denmark shall not include, in the estimates of the costs of the Services, customs or other duties on equipment or materials imported into Denmark, for direct and exclusive application to the purposes of the Arrangement.

If in the year 1950 or any later year the Government of Denmark uses the Greenland stations for commercial purposes her commercial benefits should be evaluated with a view to including an appropriate credit in the joint support accounts.

PART A — OPERATION

I

Loran Services in the Faroe Islands

These expenses shall be shown separately for Skuvanæs and for Vaag.

1. *Salaries of Regular Personnel*

Salaries established by the Government of Denmark from time to time plus allowances such as for social insurance, sickness, leave, etc.

2. *Electric power supplies*, at rates charged to the Government of Denmark in regard to comparable services. If power is generated at both Skuvanæs and Vaag, the fuel consumed shall be shown separately for each place.
3. *Transportation* at lowest possible rates, including cost of gasoline and oil in transportation of staff between the camp at Vaag and the station.

4. *Miscellaneous operating expenses*
 - 4.1 Heating
 - 4.2 Cleaning
 - 4.3 Miscellaneous supplies

II

Greenland Services

1. *Salaries of regular personnel*

Salaries established by the Government of Denmark from time to time plus allowances such as for social insurance, sickness, leave, etc.
2. *Working expendables, and general operational expenditure*
 - 2.1 Fuel
 - 2.2 Provisions
 - 2.3 Spare parts
 - 2.4 Radiosondes, balloons, transmitters, etc.
 - 2.5 Hydrogen and other expendables
3. *Transportation*
 - 3.1 (a) Passengers
(b) Freight
4. Such unforeseen additional necessary expenses as may be approved by the Council.

PART B — MAINTENANCE

I

Loran Services in the Faroe Islands

1. *Salaries of regular maintenance staff*

To be computed as set forth in Para. 1 of Part A (I) of this Annex.
2. *Material used in Maintenance*
 - 2.1 Aerials, feed lines and outdoor fixtures relating thereto
 - 2.2 Electron tube replacement
 - 2.3 Miscellaneous material used in LORAN transmitters, receivers and radio equipment generally
 - 2.4 Power Plant (Diesel engines, electric generators, power batteries and fuel storage)
 - 2.5 Material used in the maintenance of buildings (paint, repair material, etc.)

- 2.6 Material used in the repair of the road between Vaag and Skuvanes Head
- 2.7 Miscellaneous material (vehicles, etc.)
3. *Special labour employed* in the maintenance of equipment and services.

II

Greenland Services

1. *Salaries of regular maintenance staff*
To be computed as set forth in Para. 1 of Part A (II) of this Annex.
2. *Material used for Maintenance*
- 2.1 Machinery
- 2.2 Radio equipment
- 2.3 Batteries
- 2.4 Antennae towers and counterpoises
- 2.5 Radiosonde equipment
- 2.6 Meteorological equipment
- 2.7 Vehicles
- 2.8 Tanks
- 2.9 Buildings
- 2.10 Motorboats and rowboats
- 2.11 Armoured cable
- 2.12 Telephone equipment
3. *Special labour employed* in the maintenance of equipment and services.

PART C — INDIRECT EXPENSES

Loran Services in the Faroe Islands and Greenland Services

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 Parts A and B of this Annex.
2. *Depreciation of permanent buildings*
Buildings at DANMARKSHAVN, KAP TOBIN, ANGMAGSSALIK, GODTHAAB, UPERNAVIK, THULE, GODHAVN, KANGERDLUGSSUAK/-APUTITEQ. 5 %
TINGMIARMIUT. 7 %
PRINS CHRISTIANSSUND. 11 %
SKUVANES AND VAAG 6.6 %
- per annum of the value specified in Annex II.

3. *Depreciation of equipment*

Machinery	10 %
Transmitters	10 %
Antennae	10 %
Cables	5 %
Technical equipment.	10 %
Meteorological equipment.	5 %
Motor vehicles	20 %
Office equipment	5 %
Motor boats and rowboats	15 %

of the value specified in Annex II.

4. *Interest*

For interest on capital invested in buildings and equipment, a charge of 4½% per annum of the value specified in Annex II as adjusted by annual depreciation and taking into account renewals of equipment met from provision for depreciation.

5. *Insurance*

Premiums for insurance of buildings and equipment against fire, estimated in the case of the Greenland services to be 1.2% per annum of the written down value of the buildings and equipment.