3. If the above proposals are acceptable to the Government of Iceland, I have the honour to suggest that this Note and Your Excellency's reply to that effect shall be regarded as constituting an Agreement between the two Governments in this matter which shall enter into force on the date of Your Excellency's reply and shall be subject to termination by either Government giving six months' written notice to the other.

I have the honour to be with the highest consideration Your Excellency's obedient Servant

(for the Secretary of State)

Mervyn Brown

His Excellency
Mr. Niels P. Sigurdsson
1 Eaton Terrace
London SW1.

London, 13th June, 1974.

Sir,

I have the honour to refer to your Note No. YFL 13/456/1 dated 11 June, 1974, which reads as follows:

[Sjá texta orðsendingarinnar hér að framan.]

I have the honour to inform you that the foregoing proposals are acceptable to the Government of Iceland who therefore agree that Your, Excellency's Note together with this reply shall constitute an Agreement between the two Governments in this matter which enter into force on this day's date and shall remain in force until terminated by either Government giving six months' written notice to the other.

Accept, Sir, the renewed assurances of may highest consideration.

Niels P. Sigurðsson.

Her Majesty's Principal Secretary of State for Foreign and Commonwealth Affairs,
Foreign and Commonwealth Office,
Whitehall,
LONDON, S.W.1.

28. júní 1974. Nr. 12.

AUGLÝSING

um samkomulag við Bretland um greiðslur vegna flugþjónustu.

Hinn 27. júní 1974 var undirritað í Kaupmannahöfn af fulltrúum ríkisstjórna Íslands og Bretlands samkomulag um tilteknar greiðslur vegna flugþjónustu.

Samkomulagið er birt sem fylgiskjal með auglýsingu þessari.

Þetta er hér með gert almenningi kunnugt.

Utanríkisráðuneytið, Reykjavík, 28. júní 1974.

Einar Ágústsson.

Pétur Thorsteinsson.

Fylgiskjal.

The Governments of Iceland and the United Kingdom of Great Britain and Northern Ireland, desiring to draw up arrangements for the billing and collection of charges imposed by the Government of Iceland at the request of the Council of the International Civil Aviation Organisation („ICAO") pursuant to Article XIV of the Agreement on the Joint Financing of Certain Air Navigation Services in Iceland, opened for signature at Geneva on 25th September 1956 („the Agreement of 1956") and as called for in Recommendation 7 of the Second Conference on 1956 Danish and Iceland Joint Financing Agreements, have entered into this Memorandum of Understanding.

1.1 The Government of the United Kingdom of Great Britain and Northern Ireland will, subject to the necessary approval of Parliament, make regulations for requiring charges (including the fee referred to in para. 2.5) in respect of air navigation services provided by the Government of Iceland in pursuance of the Agreement of 1956 to be paid to the Civil Aviation Authority of the United Kingdom („the Authority") by the operator of every aircraft wherever registered, which

a) makes a crossing between Europe and North America; and
b) at any time during the crossing is in an area north of the 40th parallel North but does not land at Bermuda or the Azores; and
c) in respect of which a flight plan is communicated to the appropriate air traffic control unit, being a flight plan involving the flight of the aircraft in that area.

1.2 Flights between the following areas will, subject to subparagraph (c) of the preceding paragraph, also be taken into account as follows:

Greenland and Canada, Greenland and the United States of America, Greenland and Iceland, and Iceland and Europe — one third of a crossing; Greenland and Europe, Iceland and Canada, and Iceland and the United States of America — two thirds of a crossing.

2.1 Subject as aforesaid, the Authority will first bill and collect charges and fees under these arrangements in respect of flights made on 1st August, 1974.

2.2 The rate of the charge for each crossing made on or after 1st August, 1974 but before 1st January, 1975 will be £2.88p, being the rate notified by the Government of Iceland to the Government of the United Kingdom as the sterling equivalent of the rate determined by the Council of ICAO.

2.3 For each year subsequent to 1974 the rate of the charge determined under the preceding paragraph will apply unless it is changed in accordance with para. 2.4.

2.4 Should the Council of ICAO determine that the rate of the charge is to be changed, the Government of Iceland will notify the Government of the United Kingdom of the sterling equivalent of the new rate. Furthermore, should there at any time be a substantial change in the rate of exchange between the Icelandic krona and sterling, the Government of Iceland may notify the Government of the United Kingdom of the new sterling equivalent of the rate of charge. For this purpose a change of less than 10% in the value of the pound in Icelandic kronur will not be considered substantial. It is recognised that at least three months must elapse between the notification of a change and the coming into force of the necessary amendment to the regulations referred to in paragraph 1.

2.5 On billing the operator, the Authority will add to the charge a fee, not exceeding 5% of the charge, in respect of the Authority's services in collecting and accounting for the charges (other than costs and expenses referred to in paragraph 4.4). The Authority will from time to time inform the Directorate of Civil Aviation in Iceland („DCA") of the basis on which the fee is calculated.

3.1 Payment by the operator will become due at the time of the flight in question and will be payable in sterling to the Authority by the person who is the operator of the aircraft at the time of that flight.

3.2 All sums received by the Authority in pursuance of these arrangements (exclusive of the fees referred to in paragraph 2.5) will be remitted in sterling at monthly intervals by the Authority to DCA, and with an indication of the total amount remitted, subdivided according to the nationality of the operators. The Government of the United Kingdom will facilitate the remission to Iceland in sterling of the sums in question.

4.1 DCA will inform the Authority at weekly intervals of flights made through the Reykjavik Flight Information Region, giving the following particulars:

a) the name of the operator;
b) the date of the flight;
c) the flight number, if possible, or failing that the registration and nationality marks of the aircraft;
d) the origin and destination of the flight;
e) the type of the aircraft, where known;

provided that such information need not be furnished if in the course of the flight the aircraft enters the Shanwick Oceanic Flight Information Region.

4.2 The Governments of Iceland and the United Kingdom will endeavour to obtain similar information for the Authority in respect of flights to which these arrangements apply which pass through Flight Information Regions administered by other governments and extending north of the 40th parallel North, other than flights in the course of which the aircraft enters the Reykjavik or Shanwick Oceanic Flight Information Region.

4.3 The Government of the United Kingdom will ensure that the Authority will use its best efforts to collect the sums due under the regulations referred to in paragraph 1, and that in the event of any difficulty in collecting the sums due the Authority will consult with DCA as to the best method of proceeding. The Government of Iceland agrees to the exercise of jurisdiction by the courts of the United Kingdom for the collection of the sums due whatever the nationality of the aircraft in question or of its operator and whatever the place where the liability arose.

4.4 The Authority will not be obliged to detain any aircraft or to engage in litigation for the recovery of any sums due, and will not take either course of action without the consent of DCA. If the Authority does so with that consent, the Government of Iceland will indemnify the Authority against all costs and other expenses incurred by it and against any legal liability in respect of the detention of the aircraft, howsever such costs, expenses or liability may arise.

4.5 The two Governments may agree that efforts under these arrangements to collect a particular sum due shall be suspended, in which event the matter will be dealt with in accordance with arrangements made or to be made in pursuance of the Agreement of 1956.

5. The Government of the United Kingdom will cause the Authority to keep proper accounts of its receipts under these arrangements and to permit DCA and ICAO to verify those accounts with the relevant vouchers at reasonable intervals. The accounts and vouchers will be retained by the Authority for that purpose for a period of three years after payment by the operator becomes due.

6. Nothing herein applies to military aircraft. An aircraft on the civil register of any State will not be considered to be a military aircraft.

7.1 These arrangements may be terminated by either Government giving to the other not less than twelve months notice in writing.

7.2 Upon the giving of notice of termination of the Agreement of 1956 by any party thereto or on the occurrence of any substantial change in its operation, these arrangements will be reviewed by the Governments of Iceland and the United Kingdom at the request of either of those Governments.

8. Any dispute between the two Governments arising out of the interpretation or application of these arrangements will be determined by referring it to an arbitrator appointed by both Governments jointly, or, if the Governments cannot decide on a mutually acceptable arbitrator, by the President of the European Court of Justice provided that he is neither a United Kingdom nor Icelandic national or, if he is such a national, by the next Senior Judge of that Court, in the order of precedence established by Article 4 of the Rules of Procedure of that Court, who is not such a national. The two Governments will abide by the decision of the arbitrator.

Sigurður Bjarnason
for the Government of Iceland

G. W. Marshall
for the Government of the
United Kingdom of Great Britain
and Northern Ireland

27th June 1974.

Stjórnartíðindi C 1, nr. 1—12. Útgáfudagur 30. apríl 1975.