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Agreement for Joint Financing of North Atlantic Ocean Stations

Geneva, 15 November 1974

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*Presented to Parliament
by the Secretary of State for Foreign and Commonwealth Affairs
by Command of Her Majesty
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**AGREEMENT
FOR JOINT FINANCING OF
NORTH ATLANTIC OCEAN STATIONS**

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PREAMBLE

The Governments Parties to this Agreement, hereinafter referred to as "Contracting Parties",

Noting that the Agreement on North Atlantic Ocean Stations, concluded at Paris on 25 February 1954⁽¹⁾, as revised and extended⁽²⁾, will terminate on 30 June 1975,

Recognizing that, in addition to the acquisition and exchange of meteorological information by and between countries, the acquisition and exchange of meteorological information from other areas are also essential for efficient meteorological services in the countries of the world and that this information can best be obtained by international co-operation,

Considering that a system of North Atlantic Ocean Stations is essential to the provision of meteorological services for the North Atlantic, Europe and the Mediterranean and makes a substantial contribution to services elsewhere in the northern hemisphere,

Considering that many human activities increasingly depend on meteorological information,

Convinced, therefore, that the operation of a North Atlantic Ocean Stations network should continue for the aforesaid meteorological purposes in general, and for the full implementation of the World Weather Watch programme and other programmes of the World Meteorological Organization in particular,

Have agreed as follows :

ARTICLE 1

Definitions

For the purposes of this Agreement:

- (1) "Organization" means the World Meteorological Organization;
- (2) "Secretary-General" means the Secretary-General of the Organization;
- (3) "Stations" means North Atlantic Ocean Stations as specified in Annex I to this Agreement;
- (4) "Vessels" means the vessels to be operated at stations;

⁽¹⁾ Treaty Series No. 46 (1955), Cmd. 9532.

⁽²⁾ Treaty Series No. 81 (1971), Cmnd. 4816.

Treaty Series No. 9 (1972), Cmnd. 4857.

Treaty Series No. 88 (1973), Cmnd. 5401.

- (5) "Operating Parties" means the Contracting Parties which operate vessels;
- (6) "Board" means the Board established by Article 4 paragraph (1);
- (7) "Operating Costs" means those costs referred to in paragraph 2.A of Annex III;
- (8) "Capital Costs" means those costs referred to in paragraph 2.B of Annex III.

ARTICLE 2

Obligations of Contracting Parties

The Contracting Parties undertake either to finance or to provide, maintain, operate and finance vessels at stations in the North Atlantic in accordance with the provisions contained in this Agreement and in its Annexes I, II and III which form an integral part thereof.

ARTICLE 3

Obligations of Operating Parties

(1) The Operating Parties undertake that the vessels operated by them at the stations shall perform the services specified in Annex II to this Agreement.

(2) An Operating Party may arrange with another Contracting Party for the latter to take over temporarily the services of the former. An arrangement of this kind shall entail no increase in the financial obligations of the other Contracting Parties. Such an arrangement and the reasons for it shall be notified to the Secretary-General.

Any similar arrangement, though not of such a temporary nature, transferring the supply of services from an Operating Party to another Contracting Party needs the authorization of the Board.

(3) If an Operating Party cannot ensure, for a period of more than 45 days, the provision of the services undertaken by it, it shall so inform the other Contracting Parties through the intermediary of the Secretary-General, stating the reasons and the possible duration of that situation. If the circumstances thus created do not meet with general acceptance, the Secretary-General shall convene a session of the Board.

ARTICLE 4

The Board

(1) To administer this Agreement a Board is hereby established.

(2) The Board shall be composed of representatives of each Contracting Party. The Secretary-General or his representative shall have the right to attend sessions of the Board in an advisory capacity.

(3) Each Contracting Party shall have one vote.

(4) The Board shall in particular:

(a) Keep under review the functioning of the network and ensure that the Agreement operates with all possible efficiency and economy.

(b) Co-ordinate the general programme of the work at the stations.

(c) Approve new major capital costs such as the construction of new vessels, the hiring of vessels or the refitting of existing vessels.

(d) Approve other capital costs, including equipment, not exceeding £100,000 per vessel during a given financial year.

(e) Examine and accept the budgetary estimates and the annual financial accounts.

(5) The Board shall be empowered to establish, from among its members, committees and working groups to carry out assigned tasks.

(6) The Board shall at its first session elect from among its members a President and a Vice-President. Their term of office shall end at the end of the first financial year. During that year and each financial year thereafter the Board shall elect a President and a Vice-President and their term of office shall respectively be from the end of the financial year during which they were elected until the end of the next financial year. The President and Vice-President shall be eligible for re-election.

(7) The Secretariat of the Board shall be provided by the Organization.

(8) Unless otherwise specified in this Agreement, a session of the Board shall be convened by the Secretary-General on the date set by the Board or at the request of at least three Contracting Parties.

(9) Sessions of the Board shall be held at the Headquarters of the Organization unless decided otherwise by the Board.

(10) The Board shall establish its own rules of procedure.

(11) The majority of Contracting Parties shall constitute a quorum.

(12) The President may request the Secretary-General to invite States which are not Parties to this Agreement and international organizations to send observers to any part or the whole of the sessions of the Board without any financial obligations on the part of the Contracting Parties or of the Organization.

ARTICLE 5

Voting procedures

(1) In carrying out its functions, the Board shall act by a simple majority of the Contracting Parties present and voting, unless otherwise specified in this Agreement.

(2) The decision of the Board under paragraph (1) of Article 17 shall be taken by a majority of two-thirds of all Contracting Parties, which majority shall include two-thirds of the votes of the Operating Parties and two-thirds of the votes of the other Contracting Parties.

(3) Decisions of the Board under paragraphs (4) (d) and (e) of Article 4 shall be taken by a majority of two-thirds of the Contracting Parties present and voting, which majority shall account for two-thirds of the total contributions of all Contracting Parties.

(4) Decisions of the Board under paragraph (2) of Article 3, paragraph (4) (c) of Article 4, Article 13 and paragraph (5) of Article 19 shall be taken by a majority of two-thirds of the Contracting Parties present and voting. Those decisions which involve an increase of the financial obligations of the Contracting Parties shall take effect on acceptance by two-thirds of the Contracting Parties and for each remaining Contracting Party on acceptance by it.

(5) The decision of the Board to change the limit stipulated in paragraph 4 (d) of Article 4 shall be taken by a simple majority of the Contracting Parties present and voting and shall have immediate effect.

(6) Unless otherwise specified in this Agreement, decisions of the Board shall have effect immediately or on such later date as may be determined by the Board.

ARTICLE 6

Relation to the Organization

In administering this Agreement the Board shall take into account the programme and policies of the Organization.

ARTICLE 7

Principles of financing

(1) The Operating Parties shall receive reimbursement at the rate of 90% of the operating costs incurred by them in providing agreed services, in accordance with the provisions of Articles 9 and 12 and Annex III.

(2) The Operating Parties shall be paid their capital costs in accordance with the provisions of Articles 10 and 12 and Annex III.

(3) Notwithstanding paragraphs (1) and (2) of this Article, the Operating Parties shall not be reimbursed or paid in excess of the total contributions actually received by the Organization in accordance with Article 12 after deduction of the expenses due to be paid under paragraph (4) of this Article.

(4) The Organization shall be paid its annual costs in administering this Agreement, less interest earned on contributions.

(5) The unit of account shall be the pound sterling. All payments made to the Organization or made by the Organization shall be in the unit of account.

(6) The financial year shall be from 1 January to 31 December. However, the first financial year shall be from 1 July 1975 to 31 December 1976.

ARTICLE 8

Voluntary contributions

Voluntary contributions, whether in kind or in cash, may be accepted by the Board, provided that the purposes for which the contribution is made are consistent with the policies, aims and activities of the North Atlantic Ocean Stations system.

ARTICLE 9

Operating and administrative costs

(1) On or before 1 April of each year each Operating Party shall submit to the Secretary-General:

(a) in respect of the past financial year:

(i) a report on the operation of and the services rendered at the station or stations;

(ii) a final accounting of its actual operating costs in accordance with the method prescribed in paragraph 2.A of Annex III;

(b) in respect of the following financial year, a budgetary estimate of its operating costs, in accordance with the method prescribed in paragraph 2.A of Annex III.

(2) On or before 1 April of each year, the Organization shall prepare a budgetary estimate of its costs in respect of the following financial year.

(3) Each Operating Party shall express all its actual and estimated operating costs in its own currency. The Secretary-General shall convert these costs to the unit of account stated in Article 7, paragraph (5) at the official United Nations rate of exchange prevailing on 1 April.

(4) Each Operating Party and the Organization in presenting its budgetary estimate shall give a full explanation of the causes of any variations from its budgetary estimate for the previous financial year.

ARTICLE 10

Capital costs

Operating Parties shall recover their capital costs approved by the Board from the Contracting Parties on the basis of a recovery, assessed in accordance with annuity tables and the rate of interest prevailing in their country at the date of the investment for financing similar government projects. Operating Parties shall, when submitting the final accounting of their actual operating costs and their budgetary estimates, in accordance with paragraphs (1) (a) (ii) and (1) (b) of Article 9, declare their entitlement to the recovery of capital costs in accordance with the method prescribed in paragraph 2.B of Annex III.

ARTICLE 11

Acceptance of budgetary estimates and annual financial accounts

(1) Before 1 May the Secretary-General shall send to all Contracting Parties copies of the budgetary estimates and the final accountings referred to in Article 9 together with the explanations submitted in accordance with paragraph 4 of Article 9 and the declaration submitted in accordance with Article 10.

(2) Thereafter the Secretary-General shall convene a session of the Board to be held not later than 1 September in order to accept the budgetary estimates and annual financial accounts.

ARTICLE 12

Accounting procedure

(1) On or before 1 October the Organization shall render to the Contracting Parties a statement of account in the unit of account indicating their obligations to pay and rights to receive cash in the following financial year, due regard being given to Article 7, paragraph (1). This statement of account shall:

(a) be based on the following elements:

- (i) the budgetary estimates of operating costs as accepted by the Board and the recovery of capital costs as approved by the Board;
- (ii) the difference between the budgetary estimates of costs used as the basis for calculating rights to receive and the obligations to pay cash for the past financial year and the annual financial accounts accepted by the Board;
- (iii) adjustments to the rights of the Operating Parties to receive cash resulting from changes in the official United Nations exchange rates between the dates when the budgetary estimates were submitted two years earlier and the dates on which payments from Contracting Parties were due to be received by the Organization the previous year;
- (iv) the costs of the Organization in administering the Agreement, including one regular session of the Board;
- (v) other costs as agreed by the Board, to include the costs of extra sessions of the Board;
- (vi) voluntary contributions provided in accordance with Article 8 and made available to the Organization on or before 1 September;

(b) be calculated as follows:

- (i) the Organization shall convert the difference referred to in subparagraph (a) (ii) to the unit of account and at the official United Nations rate of exchange prevailing on the date the final accounting is due to be submitted by the Operating Parties;

(ii) the total of the separate amounts referred to in sub-paragraph (a) (i) to (v) inclusive shall be reduced by the total of any voluntary contributions referred to in sub-paragraph (a) (vi). The resulting net costs shall be apportioned in accordance with the scale of contributions contained in paragraph 1 of Annex III;

(c) state such apportioned net costs.

In the case of an Operating Party the figures shown shall be the difference between its right to receive cash and its obligation to pay.

(2) Contracting Parties shall pay to the Organization the amounts for which they are liable as indicated in the statements of account rendered. Payment shall be made in the unit of account and in two equal instalments on the following 1 April and 1 October.

(3) Subject to the provisions of paragraph (3) of Article 7, the Organization shall pay to the Operating Parties on 1 May and 1 November of each financial year the amounts due to them as specified in the statement of account.

(4) In the event that an Operating Party finds that its actual operating costs in its national currency may exceed the budgetary estimate by more than 8% per annum it shall immediately notify the Secretary-General. The Secretary-General shall then inform all Contracting Parties.

(5) For the first financial year the budgetary estimates of each Operating Party and the Organization shall be as specified in paragraph 5 of Annex III. Where appropriate these costs will be subject to the procedures specified in this Article. Three equal payments would occur in the first financial year.

ARTICLE 13

Non-compliance with obligations

In the event that a Contracting Party, without the consent of the other Contracting Parties, fails to discharge in whole or in part its obligations under this Agreement in cash or otherwise, the Secretary-General shall consult with the other Contracting Parties as to appropriate action and shall convene a session of the Board if an arrangement acceptable to all other Contracting Parties cannot be concluded through such consultation.

ARTICLE 14

Arbitration

(1) Any dispute between Contracting Parties arising out of the interpretation or application of this Agreement or its annexes, which is not settled between them in any other way shall be submitted to arbitration at the request of either Contracting Party.

(2) Any Contracting Party may join either party to the dispute in the arbitration.

(3) The award shall be given by three arbitrators. Each party to the dispute shall appoint an arbitrator. The two arbitrators so appointed shall appoint a third arbitrator, who shall be the chairman and who shall not be of the same nationality as either party to the dispute.

(4) If, within three months from the date of submission to arbitration, either party fails to appoint its arbitrator, the Secretary-General shall, at the request of the other party, appoint such arbitrator. The same procedure shall apply if, within one month from the date of the appointment of the second arbitrator, the first two arbitrators are unable to agree on the appointment of the third arbitrator.

(5) The arbitrators shall establish their own arbitration procedure. Decisions shall be taken by a majority of the arbitrators.

(6) The award of the arbitrators shall be final and binding on the parties. In case of a dispute concerning the import or scope of the award, it shall be incumbent upon the arbitrators to interpret it at the request of either party.

(7) Each party shall bear the costs of its arbitrator and the parties shall share equally the costs of the third arbitrator and the other costs of the arbitration.

ARTICLE 15

Signature

(1) This Agreement shall remain open for signature until 31 May 1975 at the Headquarters of the Organization and shall thereafter remain open for accession.

(2) Governments of States Members of the Organization become parties to this Agreement by:

- (a) Signature without reservation as to ratification, acceptance or approval;
- (b) Signature subject to ratification, acceptance or approval followed by ratification, acceptance or approval;
- (c) Accession.

(3) Instruments of ratification, acceptance, approval or accession shall be deposited with the Secretary-General.

ARTICLE 16

Entry into force

(1) This Agreement shall enter into force on the first day of the second month following the date on which Governments which include those operating the vessels as specified in Annex I and which, in accordance with the scale in paragraph 1 (e) of Annex III, are sufficient to ensure a total of contributions amounting to at least 80% of the costs of the stations

as specified in paragraph 5 (b) of Annex III, have become Parties to it in accordance with Article 15.⁽³⁾ The Governments which enabled the Agreement to enter into force in accordance with this paragraph, are bound by the provisions of the Agreement and its annexes as from 1 July 1975.

(2) For Governments which become Parties to this Agreement after the conditions prescribed in paragraph 1 of this Article have been fulfilled, it shall become effective on the first day of the second month following the date of deposit of their instrument of ratification, acceptance, approval or accession.

ARTICLE 17

Termination

(1) This Agreement shall remain in force until 31 December 1981 and shall thereafter be renewed tacitly from year to year, unless it is terminated by a decision of the Board.

(2) If the Board decides to terminate this Agreement, the Board shall take all necessary decisions with regard to the winding-up of the Agreement. The Board may entrust the winding-up to the Secretary-General.

(3) Except where otherwise provided by the Board, a surplus upon liquidation shall be distributed among those Contracting Parties then Parties to this Agreement in proportion to the contributions paid by them since the dates of their becoming Parties to this Agreement. In the event of a deficit upon liquidation, this shall be met by those Contracting Parties then Parties to this Agreement, in proportion to their contributions as assessed for the then current financial year.

ARTICLE 18

Amendment

(1) The text of any amendment to this Agreement or its annexes proposed by any Contracting Party shall be communicated through the Secretary-General to each Contracting Party, at least six months in advance of its consideration by the Board. However, the Board may by a simple majority of the members present and voting, decide to consider amendments which have been communicated on shorter notice or which have been brought up during a session of the Board.

(2) Amendments to this Agreement or its annexes which involve an increase of the financial obligations of the Contracting Parties, and amendments to this paragraph, shall be approved by the Board by a two-thirds majority vote of those present and voting, and shall come into force on acceptance by two-thirds of the Contracting Parties and for each remaining Contracting Party on acceptance by it.

(3) Any other amendment to this Agreement or its annexes shall come into force for all Contracting Parties upon approval by two-thirds of all Contracting Parties.

⁽³⁾ The Agreement entered into force on 1 December 1976.

ARTICLE 19

Denunciation

(1) A Contracting Party may not denounce this Agreement until after it has been in force in respect of that Contracting Party for two years. Denunciation of this Agreement shall be notified in writing to the Secretary-General.

(2) Denunciation shall take effect at the end of the year following the year in which the denunciation was notified.

(3) If, in the case referred to in paragraph (3) of Article 3, a Contracting Party cannot accept a temporary interruption in the programme of one or more stations of which the Board has taken note, it shall have the right, if the interruption lasts continuously for six months, to denounce the Agreement with immediate effect, notwithstanding the provisions of paragraphs (1) and (2) of this Article.

(4) A Contracting Party which denounces this Agreement shall pay its contributions, including its share of the operating costs, due up to the effective date of its denunciation and shall pay its outstanding share of capital costs within the relevant amortization periods. However, in the case of paragraph (3) of this Article, except in the case of circumstances beyond control, recognized as such by the Board, having caused irreparable damage to a vessel, a Contracting Party which denounces this Agreement shall not be bound in relation to the Contracting Parties which have responsibility for the temporary interruption.

(5) Following receipt of notice of denunciation, the Secretary-General shall consult with the other Contracting Parties as to appropriate action. In case an arrangement acceptable to all other Contracting Parties cannot be concluded by way of such consultation, the Secretary-General shall convene a session of the Board to take an appropriate decision.

ARTICLE 20

Notification

The Secretary-General shall notify the Contracting Parties of:

- (a) any signature;
- (b) the deposit of any instrument of ratification, acceptance, approval or accession;
- (c) the entry into force of this Agreement;
- (d) approval, acceptance and entry into force of any amendment to this Agreement or its annexes;
- (e) any denunciation of this Agreement;
- (f) the decision to terminate this Agreement;
- (g) any decision of the Board under the provisions of this Agreement and the date of its coming into effect;
- (h) any arrangement under Article 3, paragraph (2).

ARTICLE 21

Registration

The Secretary-General shall register this Agreement with the Secretary-General of the United Nations in accordance with Article 102 of the Charter of the United Nations.

In witness whereof the undersigned being duly authorized thereto by their respective Governments, have signed this Agreement.

Done at Geneva this fifteenth day of November 1974, in the English, French, Russian and Spanish languages, each text being equally authentic, the original of which shall be deposited with the Secretary-General of the World Meteorological Organization who shall transmit certified true copies thereof to all signatory and acceding States.

[For signatures, ratifications, and accessions see page 23]

ANNEX I

Network and operating parties

Network of North Atlantic Ocean Stations

Station M	66°00'N,	02°00'E
Station L	57°00'N,	20°00'W
Station R	47°00'N,	17°00'W
Station C	52°45'N,	35°30'W

Operating Parties

FRANCE	...	...	...	...	...	station R
NETHERLANDS	...	...	...	...	...	station M
NORWAY	...	...	...	...	...	station M
SWEDEN*	...	...	...	...	...	station M
UNION OF SOVIET SOCIALIST REPUBLICS						station C
UNITED KINGDOM	...	...	...	...	...	station L

ANNEX II

Services to be performed by ocean station vessels

The services performed by ocean station vessels are classified as primary, secondary and other services. The primary services are essential services for the performance of which the vessels are principally maintained. The secondary and other services are those services performed because of the presence of the vessels on stations.

1. Primary services

(a) Meteorological observations shall be made on all ocean station vessels in accordance with the following programme:

(i) hourly surface observations, the observations to include all elements prescribed by the World Meteorological Organization for ships' observations;

(ii) upper wind observations at 0000, 0600, 1200, 1800 hours GMT daily, and upper-air pressure, temperature and humidity observations not less than twice daily (0000 and 1200 hours GMT), all observations being preferably to an altitude of 24 km or higher;

(b) Reports of the observations referred to in (a) above shall be transmitted promptly to the appropriate shore stations in the international code forms prescribed by the World Meteorological Organization and, for this purpose, the essential ship to shore communications shall be provided.

* Sweden will only be an Operating Party until the existing vessel operated jointly by Norway and Sweden (Polarfront II) is permanently withdrawn from service.

2. *Secondary and other services*

In addition to the services specified in the above paragraph, the ocean station vessels shall perform such secondary and other services as may be required, on the understanding that the performance of such services does not involve any addition to the obligatory personnel and equipment carried and does not interfere with the provision of the primary services.

2.1. *Secondary services*

(a) Meteorological reports from other ocean station vessels may be received and retransmitted in accordance with national or bilateral arrangements;

(b) Reports of meteorological observations from merchant ships may be relayed to coastal radio stations.

2.2 *Other services*

These other services include :

(a) Reception and relay of AMVER reports from radiotelephone equipped ships in so far as this can be done within the normal duties of ocean station vessels;

(b) Safety services to other ships and to aircraft as set out in the Ocean Stations Vessel Manual produced by authority of the Board;

(c) The release, servicing and recovery of meteorological and oceanographic buoys;

(d) The making of oceanographic and other scientific observations. Operating Parties shall endeavour to make such observations but without charge to the other Contracting Parties.

ANNEX III

Financial principles and accounting procedures

1. Scale of contributions

(a) The scale of contributions shall be based on the product of two conceptual factors, the "ability to pay" of each Party to the Agreement and the relative "meteorological benefit" derived from the meteorological observations made at the stations under the terms of the Agreement.

(b) There shall be three measures of the "ability to pay" of a Party: the national income as presented in "*National Income Data and Related Statistics*" prepared by the UN Statistical Office for the Committee on Contributions, the number of WMO units, and the annual contribution to the United Nations.

(c) There shall be seven measures of meteorological benefit. In calculating the measures of meteorological benefit, the position of the centre of the network is defined by the arithmetic means of the latitudes and longitudes of the stations comprising the network as specified in Annex I. The distance R is defined as the great circle distance in kilometres, on a

spherical earth of radius 6,373 km, between the position of the centre of the network and the position of the capital of the Party involved. The formulæ for determination of the meteorological benefit factor M are as follows:

(1) *Radial step function*

$$0 < R \leq 1,850 \text{ km.} \quad M = 1.00$$

$$1,850 < R \leq 2,780 \text{ km.} \quad M = 0.75$$

$$2,780 < R \quad M = 0.50$$

(2) *Single ramp function*

$$0 < R \leq 930 \text{ km.} \quad M = 1.00$$

$$930 < R < 3,700 \text{ km.} \quad \text{Linear slope between } M = 1.00 \text{ at } 930 \text{ km. and } M = 0.25 \text{ at } 3,700 \text{ km.}$$

$$3,700 \text{ km.} \leq R \quad M = 0.25$$

(3) *Double ramp function*

$$R = 0 \quad M = 0.33$$

$$0 < R < 1,500 \text{ km.} \quad \text{Linear slope between } M = 0.33 \text{ at } 0 \text{ km. and } M = 1.00 \text{ at } 1,500 \text{ km.}$$

$$R = 1,500 \text{ km.} \quad M = 1.00$$

$$1,500 < R < 4,000 \text{ km.} \quad \text{Linear slope between } M = 1.00 \text{ at } 1,500 \text{ km. and } M = 0.33 \text{ at } 4,000 \text{ km.}$$

$$4,000 \leq R \quad M = 0.33$$

(4) *Danish function*

$$M = \frac{R + 3,000 \text{ km.}}{2R + 3,000 \text{ km.}}$$

(5) *Modified Danish function*

$$M = \frac{R + 3,000 \text{ km.}}{3R + 3,000 \text{ km.}}$$

(6) *Proximity factor*

$$R \leq 1,250 \text{ km.} \quad M = 1.00$$

$$R > 1,250 \text{ km.} \quad M = 1,250 \text{ km./}R$$

(7) *Longitude/latitude formula*

Defining countries by the position of their capitals, the short-, medium- and long-term factors are applied as follows:

(i) for countries close to the network and to the west of 5°W ., the meteorological benefit factor is 0.7;

(ii) for countries between 5°W . and 50°E . the meteorological benefit factor is 1.0 at the western boundary falling steadily to 0.3 at the eastern boundary;

(iii) for countries east of 50°E ., the meteorological benefit factor is 0.3;

- (iv) for countries to the west of 50°W., the meteorological benefit factor is 0.3;
- (v) for countries to the south of latitude 30°N., the meteorological benefit factor is 0.3 regardless of longitude;
- (vi) for countries to the south of latitude 45°N. but to the north of latitude 30°N., the meteorological benefit factor is 0.75 of the value given by (i) and (ii) above but subject to a minimum value of 0.3 for the meteorological benefit factor.

(d) The three ability-to-pay factors when combined with the seven meteorological benefit factors give 21 possible scales of contribution. The percentage contribution by a Party to the Agreement shall be established as the average of the following two quantities:

- (i) the average for the country concerned of the percentage contributions derived from the 21 possible scales;
- (ii) the average for the country concerned of the maximum and minimum percentages derived from the 21 scales.

(e) The scale of contributions given below and computed in accordance with (a), (b), (c) and (d) above is intended for the purpose of implementing paragraph (1) of Article 16 of the Agreement:

	<i>Per cent</i>
AUSTRIA	1.0995
BELGIUM	2.8857
CZECHOSLOVAKIA	1.9860
DENMARK	1.5179
FINLAND	0.8919
FRANCE	13.7076
GERMAN DEMOCRATIC REPUBLIC ...	2.8267
GERMANY, FEDERAL REPUBLIC OF ...	15.1471
HUNGARY	0.8368
ICELAND	0.1473
IRELAND	0.5670
ITALY	5.6800
NETHERLANDS	3.0822
NORWAY	1.2815
POLAND	2.5678
SPAIN	2.4344
SWEDEN	2.9302
SWITZERLAND	2.2234
U.S.S.R.	21.6899
UNITED KINGDOM	15.6115
YUGOSLAVIA	0.7867
TUNISIA	0.0989

100.0000

(f) The Board shall review the numerical values of the ability-to-pay factors, which are used for the computation of the scale of contributions, every three years and each time the number of Contracting Parties is modified. Such a review shall not be considered as an amendment of this annex.

2. Methods of rendering information on operating parties' costs

A. Operating costs

<i>Item</i>	<i>Amount</i>	<i>Remarks</i>
1. <i>Total salaries</i> (ship's personnel, list of the salaries of each grade of personnel actually serving aboard and sailing in the ship should be attached. Social Security charges and allowances should be shown under one heading for each category of personnel.)		
1.1 Officers	
1.2 Crew members (including petty officers, stewards and cook)	
1.3 Special duties personnel:		
(a) METEOROLOGICAL	
(b) COMMUNICATIONS	
(c) TECHNICIANS	
1.4 Overtime (total paid to all categories)	
1.5 Secondary crew expenses (including travel expenses and subsistence and cost of recruitment of personnel, medical examination, etc., in connexion with the crew)	
2. <i>Ship's fuel</i>		
2.1 Engine fuel (including lubricating oil)	
2.2 Other fuels—by types (including galley fuel and fuel for generator, diesel, boats, etc.)	
3. <i>Provisions and stores</i>		
3.1 Ship's provisions (food and water)	
3.2 Ship's stores (<i>i.e.</i> deck, engine-room and domestic)	
3.3 Meteorological stores	
3.4 Radio—radar stores	
3.5 Amenities (including films, books, games, etc.)	
4. <i>Other expenses</i>		
4.1 <i>Base expenses</i> (base expenses should include payment to shipping company, if any, for operating the weather ships on behalf of the Government)	
4.1.1 Salaries, wages and overtime (including port relief officers, shore watchman, etc.)	
4.1.2 Fuel at base (including heating of base offices)	

	<i>Item</i>	<i>Amount</i>	<i>Remarks</i>
4.1.3	Other base expenses:		
	(i) Electricity, light, power and water	.....
	(ii) Rubbish disposal	.....
	(iii) Postage and telephone	.....
	(iv) Travelling and subsistence	.....
	(v) Base stores	.....
4.2	<i>Operational</i> (if stops were made elsewhere than in the home port indicate separately what facilities and services were used at the points so touched, and what direct charges, if any, were involved.)		
4.2.1	Pilot fees	.....
4.2.2	Harbour dues	.....
4.2.3	Laundry	.....
4.2.4	Other operational expenses:		
	(i)	.....
	(ii)	.....
	(iii)	.....
4.2.5	Vessel third party liability insurance at 0.4 per cent of the initial value of the vessel	.....
5.	<i>Maintenance and overhaul</i> (including replacement of large damaged equipment, such as boats, radio equipment, etc. Use notes to clarify any special costs.)		
5.1	Deck	.....
5.2	Engine-room	.....
5.3	Electrical	.....
5.4	Radio/radar	.....

B. Capital costs

Indirect expenses

1. *Base capital investment* (base expenses should include payment to shipping company, if any, for operating the weather ships on behalf of the Government.)

(a) Building:	Initial	.....	(as of - - - - 19 - -)
	Residual	.....	(as of - - - - 19 - -)
(b) Equipment:	Initial	.....	(as of - - - - 19 - -)
	Residual	.....	(as of - - - - 19 - -)

	<i>Item</i>	<i>Amount</i>	<i>Remarks</i>
1.1	<i>Depreciation</i>		
	(a) Buildings (- - - - -%)	.....
	(b) Equipment (- - - - -%)	.....
1.2	<i>Interest</i>		
	(a) Buildings (- - - - -%)	.....
	(b) Equipment (- - - - -%)	.....
 2. <i>Vessel capital investment</i>			
(a) Vessel:	Initial	(as of - - - - 19 - -)	
	Residual	(as of - - - - 19 - -)	
(b) Equipment:	Initial	(as of - - - - 19 - -)	
	Residual	(as of - - - - 19 - -)	
2.1	<i>Depreciation</i>		
	(a) Vessel (- - - - -%)		
	(b) Equipment (- - - - -%)	.....
2.2	<i>Interest</i>		
	(a) Vessel (- - - - -%)		
	(b) Equipment (- - - - -%)	.....
2.3	"Total loss" insurance	.....
TOTAL CAPITAL COST		.....

3. Depreciation, interest and insurance

(a) Depreciation of vessels, buildings and equipment

The shortest period of depreciation which Operating Parties will be allowed to use is shown below in respect of the following items:

	<i>Years</i>
(1) Buildings	20
(2) Equipment (on base facilities and on vessels) ...	8
(3) New vessels	15

(b) Interest

Interest on the residual value of the vessels, buildings and equipment should be charged by the Operating Parties at the rate prevailing in their country for financing similar government projects.

(c) Insurance

A notional element for insurance may be included by the Operating Parties at the maximum annual rate of 0.5 per cent of the residual value of the vessel and its equipment to cover total loss up to such value.

Partial loss of, or damage to, the vessel and its equipment may be charged under items of the previous paragraph or, in the event of exceptionally expensive repairs, under paragraph 2.B.2.

In the event of total loss, the capital investments not yet reimbursed through depreciation (*i.e.* the written-down value) shall be deemed to have been recovered by the Party concerned through such insurance.

4. Sale of capital assets

In the event that an Operating Party sells an existing vessel or equipment and replaces it with another vessel or equipment, it should credit the proceeds of the sale of the existing vessel or equipment against the purchase price of the replacement vessel or equipment and add the balance to the residual capital value of the existent vessel or equipment under the Agreement in order to determine the new capital value on which depreciation shall be charged. An Operating Party may, however, if the Board agrees, adopt another method of crediting the proceeds of the sale of an existing vessel or equipment.

5. Costs for the first financial year

(a) The budgetary estimates of the costs for the first financial year from 1 July 1975 to 31 December 1976 amount to £6,540,000 at the official United Nations rates of exchange on 1 October 1974.

(b) The budgetary estimates of the costs for all Contracting Parties during the aforementioned year, with reimbursement of 90 per cent of operating costs, amount to £5,944,500.

(c) The estimates under sub-paragraph (a) are compiled as follows:

(i) Estimated costs in thousands of pounds sterling:

	<i>Operating costs</i>	<i>Capital costs</i>	<i>Total</i>
France	1,316	119	1,435
Netherlands	638	97	735
Norway/Sweden	586	—	586
United Kingdom	1,255	75	1,330
U.S.S.R.	2,160	240	2,400

(ii) The budgetary estimate of the costs of the Organization in administering the Agreement during the first financial year is:

£54,000 at the official United Nations rate of exchange on 1 October 1974,

assuming that two sessions of the Board will take place in the first financial year, each of a maximum duration of one week of five working days and with interpretation in the four official languages (English, French, Russian and Spanish), when necessary.

6. Capital cost guarantees

(a) Contracting Parties are deemed to have accepted, in order to maintain for the duration of the Agreement, the network specified in Annex I:

(i) The refurbishing by the Government of the United Kingdom of two of its existing vessels, at an estimated cost at November 1974 prices of £1,000,000 per vessel, and, consequently, the recovery by it of its actual capital costs over a period of amortization of five years;

(ii) The commissioning by the Government of the Kingdom of Norway of one replacement vessel on a five-year hiring agreement, commencing from 1 January 1977 and, consequently, the recovery by it of the declared part of such hiring costs related to capital expenditure, estimated at £287,000 per annum at November 1974 prices;

(b) The costs referred to in paragraphs (a) (i) and (a) (ii) above shall be recovered by the Governments concerned in accordance with the provisions of Article 10 and the provisions of paragraph (4) of Article 19;

(c) Operating Parties, which bring into the Agreement vessels operating at the termination of the North Atlantic Stations' Agreement, signed in Paris on 25 February 1954, shall be entitled to include the continued amortization of their capital costs and shall declare them, in accordance with the provisions of Article 10.

(d) Notwithstanding the provisions of paragraphs (b) and (c) above, if a vessel is permanently withdrawn by an Operating Party, that Party shall not claim payments for the remaining portion of the amortization or hiring period in respect of the ship withdrawn.

SIGNATURES AND RATIFICATIONS

<i>State</i>	<i>Date of signature</i>	<i>Date of deposit of instrument of ratification</i>
Denmark	27 May 1975	Not required
Finland	8 May 1975	18 June 1976
France	15 Nov. 1974	12 Jan. 1976
Germany, Federal Republic of	30 May 1975	Not required
Iceland	15 Nov. 1974	21 May 1975
Ireland, Republic of	30 May 1975	Not required
Norway	7 Mar. 1975	16 June 1975
Netherlands	25 Feb. 1975	27 June 1975
Sweden	10 Feb. 1975	27 May 1975
Switzerland	15 Nov. 1974	19 July 1976
Tunisia	15 May 1975	Not required
United Kingdom	12 Feb. 1975	24 May 1976
Yugoslavia	15 Nov. 1974	—

ACCESSIONS

<i>State</i>	<i>Date of deposit</i>
Soviet Union*	2 June 1976
Spain	26 Oct. 1976

* The instrument of accession to the Agreement deposited by the Government of the Union of Soviet Socialist Republics includes the following reservation:

"The Government of the Union of Soviet Socialist Republics does not consider itself bound by paragraphs (1), (2) and (4) of Article 14 of the Agreement for Joint Financing of North Atlantic Ocean Stations and declares that in submitting to arbitration any dispute between the Contracting Parties regarding the interpretation or application of this Agreement it is necessary, in each individual case, to have the agreement of all parties to the dispute and that only those designated by parties to the dispute, and with the agreement of them all, can be arbitrators."

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