

# AGREEMENT

on the  
Joint Financing of  
Certain Air Navigation Services  
in Greenland (1956)  
as amended in 1982 and 2008



*Published by authority of the Secretary General*

March 2010



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## TABLE OF CONTENTS

	<i>Page</i>
Agreement on the Joint Financing of Certain Air Navigation Services in Greenland (1956) as amended in 1982 and 2008 .....	1
Annexes to the Agreement	
Annex I — The Services .....	9
Annex II — Inventory .....	13
Annex III — Financial.....	23

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## **AGREEMENT**

### **on the Joint Financing of Certain Air Navigation Services in Greenland (1956) as amended in 1982 and 2008**

#### **Article I**

For the purposes of this Agreement:

- a) "Organization" means the International Civil Aviation Organization;
- b) "Council" means the Council of the Organization;
- c) "Secretary General" means the Secretary General of the Organization;
- d) "Services" means the services specified in Annex I to this Agreement and any additional services which may from time to time be provided pursuant to this Agreement.

#### **Article II**

1. The Government of Denmark shall provide, operate and maintain the Services 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 the Organization.
2. 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 World Meteorological Organization.
3. The Government of Denmark shall notify the Secretary General immediately of any emergency necessitating any temporary change or curtailment of the Services and that Government and the Secretary General shall thereupon consult on the measures to be taken to minimize any adverse effect of such change or curtailment.

#### **Article III**

1. The Secretary General shall 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.
2. The Government of Denmark shall, at the request of the Secretary General, and to the extent practicable, furnish such reports on the operation of the Services as the Secretary General considers desirable.
3. The Secretary General shall, at the request of the Government of Denmark, provide, to the extent practicable, such advice as that Government may reasonably require in regard to the discharge of its obligations under this Agreement.

4. In the event of any failure by the Government of Denmark efficiently to operate and maintain any of the Services, there shall be consultation between that Government and the Secretary General for the purpose of agreeing upon remedial measures.

#### **Article IV**

1. The Contracting Governments agree to share the approved actual costs of the Services non-allocable to international civil aviation, as determined pursuant to the provisions of Article V, in proportion to the aeronautical benefit derived therefrom by each Contracting Government. Such proportion shall be determined for each Contracting Government in respect of each calendar year by the number of crossings between Europe and North America any portion of which lies north of the 45th parallel North between the meridians of 15° West and 50° West performed in that year by its civil aircraft. In addition,

- a) a crossing between only Greenland and Canada, Greenland and the United States of America, Greenland and Iceland or Iceland and Europe shall be counted as one-third of a crossing;
- b) a crossing between only Greenland and Europe, Iceland and Canada or Iceland and the United States of America shall be counted as two-thirds of a crossing; and
- c) a crossing to or from Europe or Iceland which does not cross the coast of North America but crosses the meridian of 30° West north of the 45th parallel North shall be counted as one-third of a crossing.

2. For the purposes of paragraph 1 of this Article:

- a) a crossing shall be counted even if the point of take-off or landing is not in the territories mentioned in that paragraph; and
- b) "Europe" does not include Iceland or the Azores.

3. On or before 20 November each year, the Council shall assess the Contracting Governments for the following year. For the year 2009 the assessments shall be on the basis of the number of crossings in 2007 and the estimated costs of the Services non-allocable to international civil aviation for 2009. The assessment of each Contracting Government shall be adjusted to take into account any difference between the amounts paid by it to the Organization as advances in respect of 2007 and its share, as determined by its crossings in 2007, of ninety-five per cent of the approved actual costs in 2007. The assessment of each Contracting Government shall be further adjusted to take into account any difference between its share of the estimated revenues from user charges for 2007 and its share, as determined by its crossings in 2007, of the actual user charge revenues remitted to Denmark in 2007.

4. The procedure set forth in paragraph 3 of this Article shall apply to the assessments for the year 2010 with appropriate changes of year.

5. For 2011 the assessments shall be on the basis of the number of crossings in 2009 and the estimated costs of the Services non-allocable to international civil aviation for 2011. The assessment of each Contracting Government shall be adjusted to take into account any difference between its share of the estimated costs of the Services non-allocable to international civil aviation for 2009 and its share, as determined by its crossings in 2009, of the approved actual costs of the Services non-allocable to international civil aviation for 2009.

6. The procedure for 2011 shall apply in subsequent years with appropriate changes of year.

7. On 1 January of each calendar year starting on 1 January 2009, each Contracting Government shall pay to the Organization the amount assessed to it for the current calendar year, adjusted as provided in paragraphs 3, 4, 5 and 6 of this Article.

8. In the event of termination of this Agreement, the Council shall undertake adjustments so as to accomplish the objectives of this Article in respect of any period for which, at the date of termination of the Agreement, payments have not been adjusted pursuant to paragraphs 3, 4, 5 and 6 of this Article.

9. On or before 1 May of each year, each Contracting Government shall furnish to the Secretary General, in such form as the Secretary General may prescribe, full particulars of the crossings to which this Article applies performed during the preceding calendar year.

10. The Contracting Governments may agree that the particulars referred to in paragraph 9 of this Article will be furnished to the Secretary General on their behalf by another Government.

#### **Article V**

1. The Government of Denmark shall furnish to the Secretary General, on or before 15 September of each year, estimates, expressed in Danish kroner, of the costs of the Services for the following calendar year. The estimates shall be drawn up in accordance with Article II and with Annexes II and III to this Agreement.

2. The Government of Denmark shall furnish to the Secretary General, not later than five months after the end of each calendar year, a statement of the actual costs of the Services during that year. The Secretary General shall subject the statement to such audit and other examination as he deems appropriate and shall furnish to the Government of Denmark a report of the audit.

3. The Government of Denmark shall furnish to the Secretary General such additional information relating to any estimates of costs or statement of actual costs as the Secretary General may require, as well as any available information as to the extent to which the Services are being used by aircraft of any nationality.

4. The statements of actual costs for each year shall be subject to approval by the Council.

5. The statement of actual costs approved by the Council pursuant to the provisions of paragraph 4 of this Article shall be circulated to the Contracting Governments.

#### **Article VI**

1. The Government of Denmark shall be reimbursed for the actual costs, as approved by the Council, of providing, operating and maintaining the Services.

2. The Government of Denmark shall treat all net revenues from user charges, collected from all civil aircraft operators under a system operated pursuant to Article XI, as reimbursement of the costs of the Services allocable to international civil aviation. The Government of Denmark shall treat the payments received from assessments to Contracting Governments pursuant to Article IV as reimbursement of the costs of the Services non-allocable to international civil aviation.

3. Contracting Governments not represented on the Council shall be invited to participate in the consideration by the Council or any of its bodies of the estimates furnished by the Government of Denmark pursuant to the provisions of paragraph 1 of Article V.

4. The estimates of costs as approved by the Council shall be circulated to the Contracting Governments.

## **Article VII**

1. The payments received by the Organization from the Contracting Governments pursuant to the provisions of Article IV shall, to the extent that they are not from time to time needed for making current payments to the Government of Denmark pursuant to this Agreement, constitute a Reserve Fund to be used by the Organization for the purposes of this Agreement.
2. The Secretary General may arrange for short-term investment of the Reserve Fund. The Organization shall apply the interest derived therefrom to cover the extraordinary expenses of the Organization incidental to this Agreement. If such interest is insufficient to cover such expenses, the difference remaining shall be considered as an additional part of the actual costs of the Services non-allocable to international civil aviation and shall be reimbursed to the Organization from payments made by the Contracting Governments.

## **Article VIII**

1. The annual assessments of Contracting Governments shall be expressed in Danish kroner.
2. Each of the Contracting Governments shall make payments to the Organization pursuant to the provisions of Article IV in Danish kroner. Payments may also be made in United States dollars if the regulations of the Government making the payment so require. The procedure for determining the rate of exchange applicable to a payment made in United States dollars shall be determined by the Council in consultation with the Governments concerned.
3. The Secretary General shall, subject to the Organization being reimbursed in United States dollars for its extraordinary expenses, make payments to the Government of Denmark pursuant to the provisions of Articles VI and IX in the currencies in which Contracting Governments have made their payments to the Organization and which remain available.

## **Article IX**

1. The obligation of the Secretary General to make payments to the Government of Denmark under this Agreement shall be limited to amounts actually received by the Organization and available in accordance with the terms of this Agreement.
2. No Contracting Government shall have a claim against the Organization because of failure of any other Contracting Government to make any payment under this Agreement.

## **Article X**

1. The Council may, in agreement with the Government of Denmark, include under this Agreement services in addition to those set out in Annex I hereto and new capital expenditure necessary for the proper operation of the Services.
2. For the purposes of paragraph 1 of this Article, renewal of buildings and equipment from payments received on account of depreciation shall not be regarded as new capital expenditure.
3. If new capital expenditure or additional services are proposed by the Government of Denmark or by the Council, that Government shall furnish to the Secretary General an estimate of the costs thereof, together with such

specifications, plans and other information as may be required in regard thereto, and shall consult with the Secretary General concerning the methods of supply, design or construction to be adopted.

4. The Council may, in agreement with the Government of Denmark, exclude from this Agreement any part of the Services.

5. When action has been taken pursuant to paragraphs 1 or 4 of this Article, the Council shall amend the Annexes to this Agreement accordingly.

#### **Article XI**

The Government of Denmark shall operate a system of user charges for the Services provided for all civil aircraft making crossings as defined in Annex III hereto. These charges shall be calculated in accordance with Annex III to this Agreement.

#### **Article XII**

The Government of Denmark shall, to the fullest possible extent, cooperate with the representatives of the Organization in respect 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 the Privileges and Immunities of the Specialized Agencies, including Annex III (2) thereto.

#### **Article XIII**

The Council shall convene a conference of all the Governments concerned:

- a) when requested by two or more of the Contracting Governments or by the Government of Denmark, or by one of the Contracting Governments if such a conference has not been held during the previous five years;  
or
- b) when the Council considers such a conference necessary.

#### **Article XIV**

Any dispute relating to the interpretation or application of this Agreement or the Annexes thereto which is not settled by negotiation shall, upon the request of any Contracting Government party to the dispute, be referred to the Council for its recommendation.

#### **Article XV**

1. This Agreement shall remain open until 1 December 1956 for signature by the Governments named in the Preamble.

2. This Agreement shall be subject to acceptance by the signatory Governments. Instruments of acceptance shall be deposited as soon as possible with the Secretary General, who shall inform all signatory and acceding Governments of the date of deposit of each such instrument.

#### **Article XVI**

1. This Agreement shall be open for accession by the Government of any State member of the United Nations or of a Specialized Agency in relationship therewith. Accessions shall be effected by the deposit of a formal instrument with the Secretary General.

2. The Council may initiate consultations with any Government, not a party to this Agreement, whose civil aircraft benefit from the Services, for the purpose of obtaining its accession to the Agreement.

#### **Article XVII**

1. This Agreement shall come into force not earlier than 1 January 1957, when instruments of acceptance or of accession have been deposited by Governments responsible in the aggregate for initial assessments of not less than ninety per cent of the initial maximum cost figure. As regards those Governments, deposit of an instrument of acceptance or of accession shall be deemed to constitute consent to the system of assessments, payments and adjustments under this Agreement for the period between 1 January 1957 and the entry into force of this Agreement.

2. As regards any Government whose instrument of acceptance or of accession is deposited after the entry into force of this Agreement, the Agreement shall come into force on the date of such deposit. Each such Government shall consent to the system of assessments, payments and adjustments under this Agreement with effect at least from the beginning of the calendar year during which the instrument of acceptance or of accession is deposited.

#### **Article XVIII**

1. a) This Agreement may be terminated by the Government of Denmark on 31 December in any year by notice in writing given to the Secretary General not later than 1 January of that year.

b) This Agreement may be terminated on 31 December in any year by Contracting Governments other than the Government of Denmark responsible in the aggregate of not less than ten per cent of current assessments by notice in writing given to the Secretary General not later than 1 January of that year.

2. Upon receipt of a notice or notices of desire to terminate this Agreement in accordance with paragraph 1 of this Article, the Secretary General shall notify the Contracting Governments.

#### **Article XIX**

1. Notwithstanding the provisions of Article XVIII, any Contracting Government other than the Government of Denmark, whose current assessment is less than ten per cent of current assessments, may withdraw from participation in this Agreement on 31 December in any year by notice in writing given to the Secretary General not later than 1 January of that year of its intention to terminate its participation. Any such notice shall, for the purpose of paragraph 1 b) of Article XVIII, be deemed also to constitute a notice of desire to terminate this Agreement.

2. Following receipt of notice of withdrawal from any Contracting Government, the Secretary General shall notify the other Contracting Governments.

#### **Article XX**

1. In the event of termination of this Agreement by the Government of Denmark pursuant to the provisions of paragraph 1 of Article XVIII, that Government may take over at no additional cost and with no compensation the moveable or immovable property, the cost of which has been partially or wholly reimbursed to that Government under the provisions of this Agreement, in order to continue the provision of the Services outside of this Agreement.

2. In the event of any termination of this Agreement by Contracting Governments other than the Government of Denmark, the Government of Denmark may take over at no additional cost and with no compensation the moveable or immovable property, the cost of which has been partially or wholly reimbursed to that Government under the provisions of this Agreement, in order to continue the provision of the Services outside of this Agreement.

3. In the event of termination of this Agreement due to the discontinuation of the Services, the Government of Denmark shall be paid out of the Reserve Fund or, if the Fund is insufficient, by all the Contracting Governments through the Organization, an equitable amount by way of compensation for capital expenditures undertaken by that Government and not wholly reimbursed pursuant to this Agreement and for the cost of removal of such equipment and restoration of the site as necessary. Any payments required from Contracting Governments for this purpose shall be computed on the basis of the most recent assessment figures and shall be due as of the time of termination. The Organization shall have the right to take over any moveable property for which compensation is paid pursuant to this paragraph. Any waiver of such right shall be taken into account in determining the compensation.

4. The amount of any payments under this Article shall be determined by agreement between the Council and the Government of Denmark.

#### **Article XXI**

1. Subject to the provisions of paragraph 2 of Article VII, any balance of the Reserve Fund and of interest thereon held by the Organization on the date when this Agreement ceases to be in force shall be apportioned among and refunded to those Governments which were still parties to this Agreement immediately before that date on the basis of their most recent annual assessments.

2. Any Government which has withdrawn from participation in this Agreement in accordance with the provisions of Article XIX shall pay to or receive from the Organization any difference between the amount it has paid to the Organization in accordance with Article IV and its appropriate share of the approved actual costs of the Services non-allocable to international civil aviation in respect of the period of its participation.

#### **Article XXII**

1. Any proposal of an amendment of this Agreement may be initiated by a Contracting Government or by the Council. The proposal shall be communicated in writing to the Secretary General who shall circulate it to all Contracting Governments with the request that they advise him formally whether or not they agree to it.

2. Adoption of an amendment shall require the agreement of two-thirds of all Contracting Governments responsible in the aggregate for not less than ninety per cent of current assessments. An amendment so adopted shall

enter into force for all Contracting Governments on 1 January of the year following the year in which formal written acceptances of the amendment have been received by the Secretary General from two-thirds of the Contracting Governments responsible in the aggregate for not less than ninety per cent of the current assessments.

3. The Secretary General shall send certified copies of each amendment as adopted to all Contracting Governments and shall notify them of any acceptances and of the date of entry into force of any amendment.

4. The Council may, in cases additional to those specified in paragraph 5 of Article X, amend the Annexes to this Agreement, subject always to the terms and conditions of the Agreement and the consent of the Government of Denmark.

**AGREEMENT**

**ON THE JOINT FINANCING OF CERTAIN  
AIR NAVIGATION SERVICES IN GREENLAND**

**ANNEX I — THE SERVICES**

**(Nineteenth Edition)**



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**1 March 2010**

**INTERNATIONAL CIVIL AVIATION ORGANIZATION**



## ANNEX I — THE SERVICES

### PART I — AIR TRAFFIC SERVICES

Air traffic services provided by the Flight Information Centre at Søndre Strømfjord to international flights below FL195.

### PART II — METEOROLOGICAL SERVICES

Surface and upper-air synoptic observations to be made at the following meteorological stations in accordance with the following table and the reports to Søndre Strømfjord as designated in Part III E:

<i>Meteorological stations and their locations</i>	<i>Surface synoptic observations 3-hourly (at 00, 03, 06, 09, 12, 15, 18 and 21 UTC)</i>	<i>Additional observations</i>	<i>Upper-air observations (at 00 and 12 UTC)</i>	
			<i>Radiosonde</i>	<i>Radiowind</i>
1. Danmarkshavn 7646N 1846W	8		2	2
2. Narsarsuaq 6111N 4525W	8		2	2
3. Egedesminde 6842N 5252W	8		2	2

### PART III — AERONAUTICAL AND METEOROLOGICAL TELECOMMUNICATION SERVICES

Telecommunication services to be provided as follows:

#### A. Prins Christian Sund

1. Extended range VHF station. <sup>1</sup>

#### B. Frederiksdal

1. Extended range VHF station. <sup>1</sup>
2. Satellite earth station. <sup>1</sup>

#### C. Qaqatoq

1. VHF station remotely operated from Iceland. <sup>2</sup>

#### D. Kulusuk

1. VHF station remotely operated from Iceland. <sup>3</sup>

## **E. Søndre Strømfjord**

1. Collection of meteorological reports from jointly financed synoptic stations.
2. Aeronautical fixed telecommunication services for transmission of aeronautical and meteorological messages.
3. Data services:
  - a) Data circuit for text communication between the Søndre Strømfjord AFTN station and the AFTN station at Gufunes (Reykjavik) derived from the satellite circuit Iceland–Nuuk and the UHF link Nuuk–Søndre Strømfjord.
  - b) Data circuit for text communication between the Søndre Strømfjord AFTN station and the AFTN station at Montreal derived from the satellite circuit Canada–Søndre Strømfjord.
4. Telephone services:
  - a) ATS direct speech circuit between Søndre Strømfjord and Reykjavik derived from the satellite circuit Iceland–Nuuk and the UHF link Nuuk–Søndre Strømfjord.
  - b) ATS direct speech circuit between Søndre Strømfjord and Gander derived from the satellite circuit Canada–Søndre Strømfjord.
  - c) ATS direct speech circuit between Søndre Strømfjord and Edmonton derived from the satellite circuit Canada–Søndre Strømfjord.

## **F. Faroe Islands**

1. Voice/data Faroe Islands–Iceland.
2. Satellite circuit Faroe Islands–Reykjavik, A/G GP VHF.

## **PART IV — RADIO NAVIGATION AIDS**

Radio navigation aids to be provided as follows:

### **Non-directional Beacon (NDB)**

Non-directional beacons (NDBs) at Prins Christian Sund, Kulusuk, Søndre Strømfjord, Holsteinsborg, Simiutaq and Myggenaes, providing radio navigation services on a continuous basis.

- 
1. Prins Christian Sund and Frederiksdal VHF stations are remotely operated from Gander using satellite circuit Canada–Frederiksdal (INTELSAT IBS Digital Carrier Service) and an interconnecting UHF link between Frederiksdal and Prins Christian Sund.
  2. The interconnection Iceland–Qaqatoq is derived from the satellite circuit Iceland–Nuuk and UHF link Nuuk–Søndre Strømfjord–Qaqatoq.
  3. The interconnection Iceland–Kulusuk is provided by the satellite circuit Iceland–Tasiilaq (Ammassalik) and a UHF link Tasiilaq (Ammassalik)–Kulusuk.

**AGREEMENT**

**ON THE JOINT FINANCING OF CERTAIN  
AIR NAVIGATION SERVICES IN GREENLAND**

**ANNEX II — INVENTORY**

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**INTERNATIONAL CIVIL AVIATION ORGANIZATION**



## ANNEX II — INVENTORY

### GREENLAND (all stations)

(Calculated in Danish Kroner)

Items	<i>From JS-WP/1930 — Audited actual costs for 2008</i>				<i>Subject to audit</i>	
	<i>Initial value for purposes of annual depreciation 31/12/08</i>	<i>Depreciation received to 31/12/08</i>	<i>Renewals from depreciation to 31/12/08</i>	<i>Residual value as of 31/12/08</i>	<i>Approved new capital for implementation after 31/12/08</i>	<i>Renewals from depreciation after 31/12/08</i>
1. Buildings and appurtenances thereto	21 936 378	31 770 401	12 455 043	2 621 020	1 903 843	3 475 500
2. Antennas, towers and counterpoises	1 422 074	1 746 194	324 120	—	—	750 000
3. Machinery and tools	2 291 959	4 023 687	2 589 456	857 728	—	1 000 000
4. Storage tanks	5 080 358	4 523 703	903 060	1 459 715	—	—
5. Communications equipment	8 259 876	12 903 809	6 211 008	1 567 075	30 957 083	—
6. a) Cables armoured	329 287	326 129	242 569	245 727	—	—
b) Cables ordinary	—	—	—	—	—	—
7. Meteorological equipment	1 998 638	3 720 161	4 314 363	2 592 840	550 000	—
8. Vehicles	1 099 727	2 854 426	2 419 787	665 088	—	700 000
9. Boats	379 743	435 301	55 558	—	—	—
10. Office and housing equipment	180 035	213 523	33 488	—	—	—
11. Hardware and software equipment	—	—	—	—	—	—
<b>TOTAL</b>	<b>42 978 075</b>	<b>62 517 334</b>	<b>29 548 452</b>	<b>10 009 193</b>	<b>33 410 926</b>	<b>5 925 500</b>

**Station: EGEDESMINDE**

(Calculated in Danish Kroner)

Items	From JS-WP/1930 — Audited actual costs for 2008				Subject to audit	
	Initial value for purposes of annual depreciation 31/12/08	Depreciation received to 31/12/08	Renewals from depreciation to 31/12/08	Residual value as of 31/12/08	Approved new capital for implementation after 31/12/08	Renewals from depreciation after 31/12/08
1. Buildings and appurtenances thereto	1 191 428	2 345 328	1 324 276	170 376	—	625 000 (Notes 1–3)
2. Antennas, towers and counterpoises	—	—	—	—	—	—
3. Machinery and tools	—	—	—	—	—	—
4. Storage tanks	—	—	—	—	—	—
5. Communications equipment	—	—	—	—	—	—
6. a) Cables armoured	—	—	—	—	—	—
b) Cables ordinary	—	—	—	—	—	—
7. Meteorological equipment	856 643	1 053 506	1 284 757	1 087 894	—	—
8. Vehicles	—	—	—	—	—	—
9. Boats	—	—	—	—	—	—
10. Office and housing equipment	—	—	—	—	—	—
11. Hardware and software equipment	—	—	—	—	—	—
<b>TOTAL</b>	<b>2 048 071</b>	<b>3 398 834</b>	<b>2 609 033</b>	<b>1 258 270</b>	<b>—</b>	<b>625 000</b>

Notes:

1. Restoration and insulation of building B175 (C-WP/13473).
2. Restoration and insulation of building B177 (C-WP/13473).
3. Restoration and insulation of building B907 (C-WP/13473).

**Station: NARSARSUAQ**

*(Calculated in Danish Kroner)*

<i>Items</i>	<i>From JS-WP/1930 — Audited actual costs for 2008</i>				<i>Subject to audit</i>	
	<i>Initial value for purposes of annual depreciation 31/12/08</i>	<i>Depreciation received to 31/12/08</i>	<i>Renewals from depreciation to 31/12/08</i>	<i>Residual value as of 31/12/08</i>	<i>Approved new capital for implementation after 31/12/08</i>	<i>Renewals from depreciation after 31/12/08</i>
1. Buildings and appurtenances thereto	3 844 840	3 833 319	86 156	97 677	—	—
2. Antennas, towers and counterpoises	—	—	—	—	—	—
3. Machinery and tools	—	—	—	—	—	—
4. Storage tanks	—	—	—	—	—	—
5. Communications equipment	—	—	—	—	—	—
6. a) Cables armoured	—	—	—	—	—	—
b) Cables ordinary	—	—	—	—	—	—
7. Meteorological equipment	526 349	983 257	1 372 612	915 704	—	—
8. Vehicles	341 226	639 017	434 951	137 160	—	—
9. Boats	—	—	—	—	—	—
10. Office and housing equipment	67 152	67 152	—	—	—	—
11. Hardware and software equipment	—	—	—	—	—	—
<b>TOTAL</b>	<b>4 779 567</b>	<b>5 522 745</b>	<b>1 893 719</b>	<b>1 150 541</b>	<b>—</b>	<b>—</b>

**Station: PRINS CHRISTIAN SUND**

*(Calculated in Danish Kroner)*

<i>Items</i>	<i>From JS-WP/1930 — Audited actual costs for 2008</i>				<i>Subject to audit</i>	
	<i>Initial value for purposes of annual depreciation 31/12/08</i>	<i>Depreciation received to 31/12/08</i>	<i>Renewals from depreciation to 31/12/08</i>	<i>Residual value as of 31/12/08</i>	<i>Approved new capital for implementation after 31/12/08</i>	<i>Renewals from depreciation after 31/12/08</i>
1. Buildings and appurtenances thereto	2 421 325	5 992 681	4 318 097	746 741	1 797 100 (Notes 1–2)	1 580 000 (Notes 3–5)
2. Antennas, towers and counterpoises	922 357	1 116 961	194 604	—	—	750 000 (Note 6)
3. Machinery and tools	2 291 959	3 556 079	1 264 120	—	—	1 000 000 (Notes 7–8)
4. Storage tanks	2 383 946	2 689 710	420 505	114 741	—	—
5. Communications equipment	1 332 861	1 802 287	1 135 857	666 431	—	—
6. a) Cables armoured	329 287	326 129	242 569	245 727	—	—
b) Cables ordinary	—	—	—	—	—	—
7. Meteorological equipment	—	—	—	—	—	—
8. Vehicles	270 827	58 209	58 209	270 827	—	—
9. Boats	24 554	26 530	1 976	—	—	—
10. Office and housing equipment	—	—	—	—	—	—
11. Hardware and software equipment	—	—	—	—	—	—
<b>TOTAL</b>	<b>9 977 116</b>	<b>15 568 586</b>	<b>7 635 937</b>	<b>2 044 467</b>	<b>1 797 100</b>	<b>3 330 000</b>

Notes:

1. Power plant buildings (C-WP/13473).
2. Fire protection system (C-WP/13473).
3. General overhaul of electrical installation (C-WP/12118).
4. Piers and cranes renovation (C-WP/12350).
5. Ropeways and suspension bridge (C-WP/13473).
6. Radio beacon and antenna (C-WP/12541).
7. Power plant 1 (JS-WP/1921).
8. Power plant 2 (C-WP/13473).

**Station: DANMARKSHAVN**

(Calculated in Danish Kroner)

Items	From JS-WP/1930 — Audited actual costs for 2008				Subject to audit	
	Initial value for purposes of annual depreciation 31/12/08	Depreciation received to 31/12/08	Renewals from depreciation to 31/12/08	Residual value as of 31/12/08	Approved new capital for implementation after 31/12/08	Renewals from depreciation after 31/12/08
1. Buildings and appurtenances thereto	14 356 366	19 586 831	6 726 514	1 496 049	—	1 270 500 (Note 1)
2. Antennas, towers and counterpoises	499 717	629 233	129 516	—	—	—
3. Machinery and tools	—	467 608	1 325 336	857 728	—	—
4. Storage tanks	2 696 412	1 833 993	482 555	1 344 974	—	—
5. Communications equipment	829 015	1 084 679	301 509	45 845	—	—
6. a) Cables armoured b) Cables ordinary	— —	— —	— —	— —	— —	— —
7. Meteorological equipment	615 646	1 683 398	1 656 994	589 242	550 000 (Note 2)	—
8. Vehicles	160 226	1 737 123	1 750 446	173 549	—	700 000 (Note 3)
9. Boats	355 189	408 771	53 582	—	—	—
10. Office and housing equipment	—	33 488	33 488	—	—	—
11. Hardware and software equipment	—	—	—	—	—	—
<b>TOTAL</b>	<b>19 512 571</b>	<b>27 465 124</b>	<b>12 459 940</b>	<b>4 507 387</b>	<b>550 000</b>	<b>1 970 500</b>

Notes:

1. Fire protection system (C-WP/13473).
2. Hydrogen generator (JS-WP/1921).
3. Tractor (JS-WP/1921).

**Station: SØNDRE STRØMFJORD — AFTN**

(Calculated in Danish Kroner)

<i>Items</i>	<i>From JS-WP/1930 — Audited actual costs for 2008</i>				<i>Subject to audit</i>	
	<i>Initial value for purposes of annual depreciation 31/12/08</i>	<i>Depreciation received to 31/12/08</i>	<i>Renewals from depreciation to 31/12/08</i>	<i>Residual value as of 31/12/08</i>	<i>Approved new capital for implementation after 31/12/08</i>	<i>Renewals from depreciation after 31/12/08</i>
1. Buildings and appurtenances thereto	64 723	6 472	—	58 251	56 435 (Note 1)	—
2. Antennas, towers and counterpoises	—	—	—	—	—	—
3. Machinery and tools	—	—	—	—	—	—
4. Storage tanks	—	—	—	—	—	—
5. Communications equipment	—	2 451 801	3 192 182	740 381	2 421 250 (Note 2)	—
6. a) Cables armoured	—	—	—	—	—	—
b) Cables ordinary	—	—	—	—	—	—
7. Meteorological equipment	—	—	—	—	—	—
8. Vehicles	208 883	301 512	176 181	83 552	—	—
9. Boats	—	—	—	—	—	—
10. Office and housing equipment	70 684	70 684	—	—	—	—
11. Hardware and software equipment	—	—	—	—	—	—
<b>TOTAL</b>	<b>344 290</b>	<b>2 830 469</b>	<b>3 368 363</b>	<b>882 184</b>	<b>2 477 685</b>	<b>—</b>

Notes:

1. Short break system of building M (C-WP/13473).
2. HF transmitter and receiver (JS-WP/1925).

**Station: SØNDRE STRØMFJORD — ATS**

*(Calculated in Danish Kroner)*

<i>Items</i>	<i>From JS-WP/1930 — Audited actual costs for 2008</i>				<i>Subject to audit</i>	
	<i>Initial value for purposes of annual depreciation 31/12/08</i>	<i>Depreciation received to 31/12/08</i>	<i>Renewals from depreciation to 31/12/08</i>	<i>Residual value as of 31/12/08</i>	<i>Approved new capital for implementation after 31/12/08</i>	<i>Renewals from depreciation after 31/12/08</i>
1. Buildings and appurtenances thereto	57 696	5 770	—	51 926	50 308 (Note 1)	—
2. Antennas, towers and counterpoises	—	—	—	—	—	—
3. Machinery and tools	—	—	—	—	—	—
4. Storage tanks	—	—	—	—	—	—
5. Communications equipment	6 098 000	7 565 042	1 581 460	114 418	400 000 (Note 2)	—
6. a) Cables armoured	—	—	—	—	—	—
b) Cables ordinary	—	—	—	—	—	—
7. Meteorological equipment	—	—	—	—	—	—
8. Vehicles	118 565	118 565	—	—	—	—
9. Boats	—	—	—	—	—	—
10. Office and housing equipment	42 199	42 199	—	—	—	—
11. Hardware and software equipment	—	—	—	—	—	—
<b>TOTAL</b>	<b>6 316 460</b>	<b>7 731 576</b>	<b>1 581 460</b>	<b>166 344</b>	<b>450 308</b>	<b>—</b>

Notes:

1. Short break system of building M (C-WP/13473).
2. Three controllers' work stations (C-WP/11900).

**Station: OTHER SURVEILLANCE SYSTEMS**

*(Calculated in Danish Kroner)*

<i>Items</i>	<i>From JS-WP/1930 — Audited actual costs for 2008</i>				<i>Subject to audit</i>	
	<i>Initial value for purposes of annual depreciation 31/12/08</i>	<i>Depreciation received to 31/12/08</i>	<i>Renewals from depreciation to 31/12/08</i>	<i>Residual value as of 31/12/08</i>	<i>Approved new capital for implementation after 31/12/08</i>	<i>Renewals from depreciation after 31/12/08</i>
1. Buildings and appurtenances thereto	—	—	—	—	—	—
2. Antennas, towers and counterpoises	—	—	—	—	—	—
3. Machinery and tools	—	—	—	—	—	—
4. Storage tanks	—	—	—	—	—	—
5. Communications equipment	—	—	—	—	28 135 833 (Notes 1–2)	—
6. a) Cables armoured	—	—	—	—	—	—
b) Cables ordinary	—	—	—	—	—	—
7. Meteorological equipment	—	—	—	—	—	—
8. Vehicles	—	—	—	—	—	—
9. Boats	—	—	—	—	—	—
10. Office and housing equipment	—	—	—	—	—	—
11. Hardware and software equipment	—	—	—	—	—	—
<b>TOTAL</b>	—	—	—	—	28 135 833	—

Notes:

1. SSR at Sornfelli (JS-WP/1913).
2. ADS-B equipment in Greenland and the Faroe Islands (C-WP/13476).

**AGREEMENT**

**ON THE JOINT FINANCING OF CERTAIN  
AIR NAVIGATION SERVICES IN GREENLAND**

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**ANNEX III — FINANCIAL**

**(Nineteenth Edition)**



*Published by authority of the Secretary General*

**1 March 2010**

**INTERNATIONAL CIVIL AVIATION ORGANIZATION**



## ANNEX III — FINANCIAL

### SECTION I

1. Statements rendered by the Government of Denmark on the cost of operating and maintaining the Services set forth in Annex I shall be based on the elements enumerated in Parts A, B and C of Section II of this Annex. These estimates and accounts shall be rendered in accordance with a format and breakdown to be agreed upon between the Secretary General and the Government of Denmark. The Government of Denmark shall also provide, in a form agreed upon with the Secretary General, an annual statement showing any capital investment undertaken by Denmark in respect of the Services, including renewal of buildings or equipment met from provision for depreciation.

2. The Government of Denmark shall not include, in the costs of the Services, customs or other duties on equipment or other materials imported for direct and exclusive application to the purposes of the Agreement.

3. If in the year 1957 or any later year the use by the Government of Denmark of the Services for commercial purposes changes, that change shall be reflected by an appropriate change in the accounts.

4. The number of regular personnel charged to the Services shall not exceed the following:

I. — *Air traffic services:* Staff included under III-2)

II. — *Meteorological services:*

1) Danmarkshavn	8
2) Narsarsuaq	5
3) Egedesminde	4

III. — *Aeronautical and meteorological telecommunication services:*

1) Prins Christian Sund	5
2) Søndre Strømfjord	16
3) Egedesminde	Staff included under II-3)

IV. — *Radio navigation aids:*

1) Prins Christian Sund	Staff included under III-1)
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4.1 Notwithstanding the provision of paragraph 4, the Government of Denmark may employ additional temporary personnel to replace regular personnel on annual leave or on sick leave in cases where the services cannot be maintained more economically by overtime work.

5. On behalf of the Danish Government, the Danish Civil Aviation Administration is the coordinating agency for the services under the Agreement. Provision and administration of the services under the Agreement related to the meteorological services described in Annex I, Part II, is conducted by the Danish Meteorological Institute (DMI). Provision and administration of the services described in Annex I, Parts I, III and IV, is conducted by Naviair (Air Navigation Services – Denmark). Apart from the services at Søndre Strømfjord provided by Naviair, provision of the services and facilities specified in Annex I is based on contracts or lease agreements with Tele Greenland A/S.

6. Sixty-seven per cent of the cost of the aeronautical fixed telecommunication services in Annex I, Part III E, paragraphs 1 and 2 may be charged.

7. In recognition of the fact that total costs of Prins Christian Sund pertain to both jointly financed and non-jointly financed services, not more than two-thirds of the operational, maintenance and indirect expenses may be

charged to the Joint Financing Agreement. However, the capital costs (depreciation and interest) for the provision of the NDB and Gander remote VHF facilities, which are exclusively provided for the international services, are to be charged at 100 per cent. Similarly, the capital costs (depreciation and interest) of facilities provided exclusively for domestic services shall not be charged.

8. In recognition of the fact that the staff at Søndre Strømfjord is engaged in the provision of both AFTN and ATS services, all staff costs and staff-related costs shall be apportioned between AFTN and ATS services using the ratio of man-hours required each year to provide these services.

9. In recognition of the fact that the costs of air traffic services provided by the Flight Information Centre at Søndre Strømfjord to flights below FL195 pertain to both international and domestic civil aviation, 40 per cent of the costs may be charged to the Joint Financing Agreement.

10. At Danmarkshavn, Egedesminde and Narsarsuaq stations all direct and indirect costs are to be charged at 100 per cent.

11. The cost of transmitting the meteorological reports as described in Annex I, Part II, will be based on the total yearly number of surface and upper-air observations and will be charged at the normal commercial rate.

12. In recognition of the fact that the costs of en-route navigation facilities NDB Myggenæs pertain to both international and domestic civil aviation, 50 per cent of the costs may be charged to the Joint Financing Agreement.

## SECTION II

The direct costs of operating and maintaining the Services which the Government of Denmark may charge are categorized in Parts A and B hereunder. The indirect costs which the Government of Denmark may charge are set out in Part C hereunder.

### PART A — OPERATIONAL EXPENSES

1. *Salaries of regular personnel.*

(Basic salaries established by the Government of Denmark from time to time, plus any applicable allowances or other payments such as for cost of living, subsistence, night shift, overtime, personnel insurance, sickness, leave, etc.)

2. *Working expendables.*

(Including, where applicable, fuel, provisions, radiosondes, balloons, hydrogen, etc.)

3. *General operating expenses.*

(Including, where applicable, charges for electric power, commercial communications charges, heating, lighting, cleaning, stationery and miscellaneous supplies, rent, etc.)

4. *Transportation.*

(Including, where applicable, transportation of personnel and goods, operational expenses of vehicles used in connection therewith, etc.)

5. *Miscellaneous additional necessary operating expenses.*

## PART B — MAINTENANCE EXPENSES

1. *Salaries of regular maintenance personnel.*

(Salaries to be included under Part A-1.)

2. *Special labour employed in maintenance.*

(Including, where applicable, experts employed on a temporary basis for special maintenance purposes.)

3. *Material and labour used for maintenance.*

(Including, where applicable, spare parts, material and labour — excluding B-1 and B-2 — for maintenance of buildings and appurtenances thereto, antennas, towers and counterpoises, machinery and tools, storage tanks, communications equipment, cables, meteorological equipment, vehicles, boats, office and housing equipment, etc.)

4. *Miscellaneous additional necessary maintenance expenses.*

(Including any single item of new or renewed equipment totalling not more than fifteen thousand United States dollars which it is not practicable to amortize, contractual repairs away from a Station and transportation connected therewith, etc.)

## PART C — INDIRECT EXPENSES

1. *Miscellaneous overhead including administration.*— For administration of the Services listed in Annex I, a charge of 15 per cent on the total direct expenses on items listed in parts A and B of this Annex may be charged. For the amount of the rental costs for leased circuits as listed in Annex I, Part III — Aeronautical and Meteorological Telecommunication Services, only 5 per cent may be charged.

2. *Depreciation.*— Commencing with the calendar year following that in which implementation is completed, depreciation shall be charged at the following rates, provided that it shall not be charged in respect of buildings and equipment which have been completely depreciated except when renewal of such buildings or equipment has been undertaken from provision for depreciation; in which case depreciation may be charged until the renewed buildings or equipment have also been depreciated.

2.1 Buildings and appurtenances thereto at:

	<i>Rate</i> (%)
Prins Christian Sund	10
Narsarsuaq	10
Danmarkshavn	6.6
Egedesminde	6.6

per annum of the value specified as the basis for depreciation in Annex II.

2.2 All equipment at a rate of 10 per cent per annum of the value specified as the basis for depreciation in Annex II, except:

	<i>Rate</i> (%)
Storage tanks	5
Cables, armoured	5
Boats	15
Vehicles	20
Office and housing equipment	12.5
Hardware and software equipment	20

3. *Interest.*— Interest on capital invested in buildings and equipment is to be charged at the weighted per annum average of the official discount and rediscount rates prevailing in Denmark plus 1 per cent. This interest will apply to the value specified for depreciation in Annex II, as adjusted by annual depreciation and taking into account renewals of buildings and equipment met from provision for depreciation.

3.1 Interest on renewals and new capital investment will be charged commencing with the year following that in which implementation is completed. In respect of the period preceding the commencement of depreciation, an amount will be included in the total capital cost to be shown in the inventory. Such amount will be equivalent to 6 months' interest when implementation is completed within one calendar year, to 12 months' interest when implementation is completed within two calendar years, to 18 months' interest when implementation is completed within three calendar years, etc.

4. *Residual value.*— The residual value of fixed assets disposed of should be charged to depreciation in the year of disposition and the proceeds from disposition, if any, should be credited under subheading "Proceeds from sale of inventory items" in the same year.

### **SECTION III — USER CHARGES**

1. On or before 20 November 2008 the Council shall determine a single user charge per civil aircraft crossing for the calendar year 2009 for the jointly financed services.

2. For the year 2009 the charge shall be calculated by dividing the approved estimated costs, expressed in Danish kroner, allocable to international civil aviation for 2009 (as defined in paragraph 23 below) plus an adjustment for under-recovery in 2007 (calculated in accordance with paragraphs 3 and 4 below) by the total number of crossings forecast for 2009 using the baseline forecast percentage change in aircraft movements prepared by the North Atlantic Systems Planning Group (NAT SPG).

3. The under-recovery referred to in paragraph 2 above is the difference between the amount subject to collection in 2007 (paragraph 4 below) and the total amounts collected from the users in that year.

4. The amount subject to collection in 2007 (for calculation of the 2009 user charge) is 95 per cent of the approved costs allocable to international civil aviation in 2007 plus the over-recovery in 2005.

5. Pursuant to Article XI of this Agreement, on or before 20 November 2009 the Council shall determine three separate user charges per civil aircraft crossing for the calendar year 2010 for the jointly financed services.

6. The first user charge shall cover the air traffic control services. This user charge will be implemented gradually over a three-year period. For the year 2010 two-thirds of the approved estimated costs of the air traffic control services will be charged for each flight transiting through the airspace described in Article IV of this Agreement, and one-third of the approved estimated costs of the air traffic control services will be charged for each flight performed in the Reykjavik and Søndre Strømfjord Flight Information Regions (FIRs). For the year 2011 one-third of

the approved estimated costs of the air traffic control services will be charged for each flight transiting through the airspace described in Article IV of this Agreement, and two-thirds of the approved estimated costs of the air traffic control services will be charged for each flight performed in the Reykjavik and Søndre Strømfjord FIRs. For the year 2012 the totality of the approved estimated costs of the air traffic control services will be charged for each flight performed in the Reykjavik and Søndre Strømfjord FIRs.

7. The user charge for the year 2010 for the air traffic control services for each flight transiting through the airspace described in Article IV of this Agreement shall be calculated by dividing two-thirds of the approved estimated costs for the air traffic control services, expressed in Danish kroner, allocable to international civil aviation for 2010 (as defined in paragraph 23 below) plus an adjustment for under-recovery or minus an adjustment for over-recovery for the air traffic control services costs allocable to international civil aviation in 2008 (calculated in accordance with paragraphs 20 and 21 below) by the total number of crossings forecast for 2010 for the users transiting through the airspace described in Article IV of this Agreement, using the baseline forecast percentage change in aircraft movements for the North Atlantic prepared by the NAT SPG.

8. The user charge for the year 2011 for the air traffic control services for each flight transiting through the airspace described in Article IV of this Agreement shall be calculated by dividing one-third of the approved estimated costs for the air traffic control services, expressed in Danish kroner, allocable to international civil aviation for 2011 (as defined in paragraph 23 below) plus an adjustment for under-recovery or minus an adjustment for over-recovery for the air traffic control services costs allocable to international civil aviation in 2009 (calculated in accordance with paragraphs 20 and 21 below) by the total number of crossings forecast for 2011 for the users transiting through the airspace described in Article IV of this Agreement, using the baseline forecast percentage change in aircraft movements for the North Atlantic prepared by the NAT SPG.

9. A user charge for the air traffic control services shall be levied for each flight performed in the Reykjavik and Søndre Strømfjord FIRs. The charge per flight would equal the product of the distance factor (d) and the unit rate (t) as follows:

$$r = d \times t$$

10. The distance factor (d) is equal to one-hundredth of the great circle distance, expressed in kilometres, between the aerodrome of departure within, or the point of entry into, the airspace of the Reykjavik and Søndre Strømfjord FIRs and the aerodrome of first destination within, or the point of exit from, that airspace. The entry and exit points are the points at which the lateral limits of the airspace are crossed by the route of the aircraft. The distance to be taken into account is reduced by a notional 100 kilometres for each take-off and for each landing on the territory of the Søndre Strømfjord FIR and the Faroe Islands and 220 kilometres for each approach and each departure from airports in Iceland.

11. The unit rate of charge is the tariff for flying one hundred kilometres (distance factor of 1.00) in the Reykjavik and Søndre Strømfjord FIRs. Flights flying exclusively below FL285 within this airspace and all flights in and out of airports located in Greenland shall be subject to half the unit rate. The unit rate is revised annually.

12. The unit rate (t) for the year 2010 shall be calculated by dividing one-third of the approved estimated costs of the air traffic control services, expressed in Danish kroner, allocable to international civil aviation for 2010 (as defined in paragraph 23 below) by the total number of units forecast for 2010 for the flights performed in the Reykjavik and Søndre Strømfjord FIRs, using the baseline forecast percentage change in aircraft movements for the North Atlantic prepared by the NAT SPG.

13. The unit rate (t) for the year 2011 shall be calculated by dividing two-thirds of the approved estimated costs of the air traffic control services, expressed in Danish kroner, allocable to international civil aviation for 2011 (as defined in paragraph 23 below) by the total number of units forecast for 2011 for the flights performed in the Reykjavik and Søndre Strømfjord FIRs, using the baseline forecast percentage change in aircraft movements for the North Atlantic prepared by the NAT SPG.

14. The unit rate (t) for the year 2012 shall be calculated by dividing the approved estimated costs of the air traffic control services, expressed in Danish kroner, allocable to international civil aviation for 2012 (as defined in paragraph 23 below) plus an adjustment for under-recovery or minus an adjustment for over-recovery for the air traffic control services costs allocable to international civil aviation in 2010 (calculated in accordance with paragraphs 20 and 21 below) by the total number of units forecast for 2012 for the flights performed in the Reykjavik and Søndre Strømfjord FIRs, using the baseline forecast percentage change in aircraft movements for the North Atlantic prepared by the NAT SPG.

15. The provisions of paragraph 14 above, with appropriate revision of the years mentioned therein, shall govern the calculation of the unit rate for the air traffic control services for the calendar year 2013 and thereafter.

16. The second user charge shall cover the communication services. A charge shall be levied for each flight operating in the Reykjavik, Søndre Strømfjord and Shanwick FIRs. The charge shall be calculated by dividing the approved estimated costs for the communication services, expressed in Danish kroner, allocable to international civil aviation for 2010 (as defined in paragraph 23 below) plus an adjustment for under-recovery or minus an adjustment for over-recovery for the communication services costs allocable to international civil aviation in 2008 (calculated in accordance with paragraphs 20 and 21 below) by the total number of crossings forecast for 2010 for the users operating in the Reykjavik, Søndre Strømfjord and Shanwick FIRs, using the baseline forecast percentage change in aircraft movements for the North Atlantic prepared by the NAT SPG. A crossing between only Greenland and Canada, Greenland and the United States of America, Greenland and Iceland or Iceland and Europe shall be counted as one-third of a crossing. A crossing between only Greenland and Europe, Iceland and Canada or Iceland and the United States of America shall be counted as two-thirds of a crossing.

17. The provisions of paragraph 16 above, with appropriate revision of the years mentioned therein, shall govern the calculation of the user charge for the communication services per civil aircraft crossing for the calendar year 2011 and thereafter.

18. The third user charge shall cover the meteorological services. A charge shall be levied for each flight transiting through the airspace described in Article IV of this Agreement. The charge shall be calculated by dividing the approved estimated costs for the meteorological services, expressed in Danish kroner, allocable to international civil aviation for 2010 (as defined in paragraph 23 below) plus an adjustment for under-recovery or minus an adjustment for over-recovery for the meteorological services costs allocable to international civil aviation in 2008 (calculated in accordance with paragraphs 20 and 21 below) by the total number of crossings forecast for 2010 for the users transiting through the airspace described in Article IV of this Agreement, using the baseline forecast percentage change in aircraft movements for the North Atlantic prepared by the NAT SPG.

19. The provisions of paragraph 18 above, with appropriate revision of the years mentioned therein, shall govern the calculation of the user charge for the meteorological services per civil aircraft crossing for the calendar year 2011 and thereafter.

20. The over- or under-recovery referred to in paragraphs 7, 8, 14, 16 and 18 above is the difference between the amount subject to collection in any year (paragraph 21 below) for each of the air traffic control, communication and meteorological services and the total amounts collected from the users in that year for each of the air traffic control, communication and meteorological services.

21. The amount subject to collection in 2008 for each of the air traffic control, communication and meteorological services (for calculation of the 2010 user charges) is 95 per cent of the approved costs of the services allocable to international civil aviation in 2008 for each of the air traffic control, communication and meteorological services less the over-recovery in 2006 for each of the air traffic control, communication and meteorological services. For 2009 and thereafter the amount subject to collection for each of the air traffic control, communication and meteorological services will be the approved costs of the services allocable to international civil aviation in that year for each of the air traffic control, communication and meteorological services, less the over-recovery or plus the under-recovery of two years earlier for each of the air traffic control, communication and meteorological services.

22. The amount subject to collection for the meteorological services for the calendar year 2009 and subsequent years shall include the administrative fee in accordance with Section IV.

23. For the purpose of calculation of user charges, the following percentages of the jointly financed costs are allocable to international civil aviation:

- a) 100 per cent of air traffic services;
- b) 90 per cent of the meteorological services (surface and upper-air synoptic observations) and related meteorological telecommunication services;
- c) 100 per cent of aeronautical communication and the satellite services (excluding MET/COM);
- d) 90 per cent of the non-directional beacon (NDB) at Prins Christian Sund; and
- e) 100 per cent of the non-directional beacons (NDBs) at Kulusuk, Søndre Strømfjord, Holsteinsborg, Simiutaq and Myggenæs.

24. The following flights shall be exempt from the payment of user charges:

- a) flights performed exclusively for the transport, on official mission, of the reigning Monarch and his/her immediate family, Heads of State, Heads of Government, and Government Ministers. In all cases, this must be substantiated by the appropriate status indicator on the flight plan;
- b) search and rescue flights authorised by a competent SAR body;
- c) military flights performed by military aircraft of any State;
- d) flights performed exclusively for the purpose of checking or testing equipment used or intended to be used as ground aids to air navigation, excluding positioning flights by the aircraft concerned;
- e) flights terminating at the aerodrome from which the aircraft has taken off and during which no intermediate landing has been made (circular flights); and
- f) flights flying exclusively below FL195 in the Søndre Strømfjord FIR.

#### **SECTION IV — ADMINISTRATIVE FEE**

1. On or before 20 November 1992, the Council shall establish the amount of an administrative fee to cover the full costs of the Organization<sup>1</sup> for facilities and services provided for the administration of this Agreement, exclusive of any extraordinary expenses to be covered by the interest from the Reserve Fund in accordance with Article VII of this Agreement.

2. The administrative fee shall represent an estimate of the costs of the facilities and services of the Organization for the following calendar year and be expressed in United States dollars.

3. After the end of each calendar year the Council shall determine and approve the audited actual costs of the Organization for facilities and services provided during that year.

4. The statement of these costs approved by the Council shall be circulated to the Contracting Governments along with the other statements mentioned in Article V of this Agreement.

5. The amount subject to collection for the year 1995 shall be the estimated costs of the Organization for facilities and services provided in that year plus an adjustment for under-recovery or minus an adjustment for over-recovery in 1993 (calculated in accordance with paragraph 6 below).

6. The over- or under-recovery referred to in paragraph 5 above is the difference between the amount subject to collection in 1993 and the total amount collected from the users in that year.

7. In subsequent years the amount subject to collection shall be the estimated cost of the Organization for facilities and services provided in that year, less the over-recovery or plus the under-recovery of two years earlier.

8. The Organization shall establish a specific Account, including any interest derived therefrom, to be used by the Organization for the sole purpose of covering the costs incurred for the administration of this Agreement, as provided for in this Section IV.

9. In the event of any termination of this Agreement, pursuant to the provisions of Article XX, any balance of the Account mentioned in paragraph 8 above, and of interest thereon shall be transferred to the Reserve Fund mentioned in Article VII of this Agreement and accordingly be subject to the provisions of this Agreement regarding this Fund.

— END —

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1. Less than full costs will be recovered during the first three years (1993–1995).



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