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## Agreement Establishing Interim Arrangements for a Global Commercial Communications Satellite System

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# INTERNATIONAL REVIEW

## AGREEMENT ESTABLISHING INTERIM ARRANGEMENTS FOR A GLOBAL COMMERCIAL COMMUNICATIONS SATELLITE SYSTEM

The Governments signatory to this Agreement,

Recalling the principle set forth in Resolution No. 1721 (XVI) of the General Assembly of the United Nations that communications by means of satellites should be available to the nations of the world as soon as practicable on a global and non-discriminatory basis;

Desiring to establish a single global commercial communications satellite system as part of an improved global communications network which will provide expanded telecommunications services to all areas of the world and which will contribute to world peace and understanding;

Determined, to this end, to provide, through the most advanced technology available, for the benefit of all nations of the world, the most efficient and economical service possible consistent with the best and most equitable use of the radio spectrum;

Believing that satellite communications should be organized in such a way as to permit all States to have access to the global system and those States so wishing to invest in the system with consequent participation in the design, development, construction (including the provision of equipment), establishment, maintenance, operation and ownership of the system;

Believing that it is desirable to conclude interim arrangements providing for the establishment of a single global commercial communications satellite system at the earliest practicable date, pending the working out of definitive arrangements for the organization of such a system;

Agree as follows:

### ARTICLE I

(a) The Parties to this Agreement shall co-operate to provide, in accordance with the principles set forth in the Preamble to this Agreement, for the design, development, construction, establishment, maintenance and operation of the space segment of the global commercial communications satellite system, to include

- (i) an experimental and operational phase in which it is proposed to use one or more satellites to be placed in synchronous orbit in 1965;
- (ii) succeeding phases employing satellites of types to be determined, with the objective of achieving basic global coverage in the latter part of 1967; and
- (iii) such improvements and extensions thereof as the Committee established by Article IV of this Agreement may decide subject to the provisions of Article VI of this Agreement.

(b) In this Agreement,

- (i) the term "space segment" comprises the communications satellites and the tracking, control, command and related facilities and equipment required to support the operation of the communications satellites;
- (ii) the terms "design" and "development" include research.

### ARTICLE II

(a) Each Party either shall sign or shall designate a communications entity,

public or private, to sign the Special Agreement which is to be concluded further to this Agreement and which is to be opened for signature at the same time as this Agreement. Relations between any such designated entity and the Party which has designated it shall be governed by the applicable domestic law.

(b) The Parties to this Agreement contemplate that administrations and communications carriers will, subject to the requirements of their applicable domestic law, negotiate and enter directly into such traffic agreements as may be appropriate with respect to their use of channels of communication provided by the system to be established under this Agreement, services to be furnished to the public, facilities, divisions of revenues and related business arrangements.

### ARTICLE III

The space segment shall be owned in undivided shares by the signatories to the Special Agreement in proportion to their respective contributions to the cost of the design, development, construction and establishment of the space segment.

### ARTICLE IV

(a) An Interim Communications Satellite Committee, hereinafter referred to as "the Committee," is hereby established to give effect to the co-operation provided for by Article I of this Agreement. The Committee shall have responsibility for the design, development, construction, establishment, maintenance and operation of the space segment of the system and, in particular, shall exercise the functions and have the powers set forth in this Agreement and in the Special Agreement.

(b) The Committee shall be composed as follows: one representative from each of the signatories to the Special Agreement whose quota is not less than 1.5%, and one representative from any two or more signatories to the Special Agreement whose combined quotas total not less than 1.5% and which have agreed to be so represented.

(c) In the performance of its financial functions under this Agreement and under the Special Agreement the Committee shall be assisted by an advisory sub-committee on finance. This sub-committee shall be established by the Committee as soon as the Committee becomes operative.

(d) The Committee may establish such other advisory sub-committees as it thinks fit.

(e) No signatory or group of signatories to the Special Agreement shall be deprived of representation on the Committee because of any reduction pursuant to Article XII (c) of this Agreement.

(f) In this Agreement, the term "quota," in relation to a signatory to the Special Agreement, means the percentage set forth opposite its name in the Annex to the Special Agreement as modified pursuant to this Agreement and the Special Agreement.

### ARTICLE V

(a) Each signatory to the Special Agreement or group of signatories to the Special Agreement represented on the Committee shall have a number of votes equal to its quota, or to their combined quotas, as the case may be.

(b) A quorum for any meeting of the Committee shall consist of representatives having, in total, a number of votes exceeding the vote of the representative with the largest vote by not less than 8.5.

(c) The Committee shall endeavor to act unanimously; however, if it fails to reach agreement it shall take decisions by a majority of the votes cast, except that, with respect to the following matters, and subject to paragraphs (d) and (e) of this Article, any decision must have the concurrence of representatives

whose total votes exceed the vote of the representative with the largest vote by not less than 12.5:

- (i) choice of type or types of space segment to be established;
- (ii) establishment of general standards for approval of earth stations for access to the space segment;
- (iii) approval of budgets by major categories;
- (iv) adjustment of accounts pursuant to Article 4 (c) of the Special Agreement;
- (v) establishment of the rate of charge per unit of satellite utilization pursuant to Article 9 (a) of the Special Agreement;
- (vi) decisions on additional contributions pursuant to Article VI (b) of this Agreement;
- (vii) approval of the placing of contracts pursuant to Article 10 (c) of the Special Agreement;
- (viii) approval of matters relating to satellite launchings pursuant to Article 10 (d) of the Special Agreement;
- (ix) approval of quotas pursuant to Article XII (a) (ii) of this Agreement;
- (x) determination of financial conditions of accession pursuant to Article XII (b) of this Agreement;
- (xi) decisions relating to withdrawal pursuant to Article XI (a) and (b) of this Agreement and Article 4 (d) of the Special Agreement;
- (xii) recommendation of amendments pursuant to Article 15 of the Special Agreement;
- (xiii) adoption of the rules of procedure of the Committee and the advisory sub-committees;
- (xiv) approval of appropriate compensation to the Corporation for its performance of services as manager pursuant to Articles 5 (c) and 9 (b) of the Special Agreement.

(d) If the Committee, upon the expiration of sixty days following the date when such matter has been proposed for decision, shall not have taken a decision pursuant to paragraph (c) (i) of this Article on the type of space segment to be established to achieve the objective stated in paragraph (a) (ii) of Article I of this Agreement, a decision on such matter may thereafter be taken by the concurring votes of representatives whose total votes exceed the vote of the representative with the largest vote by not less than 8.5.

(e) If the Committee, upon the expiration of sixty days following the date when such matter has been proposed for decision, shall not have approved

- (i) any particular budget category, pursuant to paragraph (c) (iii) of this Article,
- (ii) the placing of any particular contract, pursuant to paragraph (c) (vii) of this Article, or
- (iii) any particular matter relating to satellite launchings, pursuant to paragraph (c) (viii) of this Article,

relating to achievement of the objectives stated in paragraphs (a) (i) and (a) (ii) of Article I of this Agreement, a decision on such matter may thereafter be taken by the concurring votes of representatives whose total votes exceed the vote of the representative with the largest vote by not less than 8.5.

#### ARTICLE VI

(a) The contributions of the signatories to the Special Agreement towards the costs of the design, development, construction and establishment of the space segment during the interim arrangements shall be based upon an estimate of U.S. \$200,000,000 for such costs. Each signatory to the Special Agreement shall pay its quota of such costs in accordance with the provisions of the Special Agreement.

(b) The Committee shall determine whether contributions are required during

the interim arrangements in excess of U.S. \$200,000,000 estimate and, if so, in what amounts. If the additional contributions required during the interim arrangements would result in total contributions exceeding U.S. \$300,000,000, a special conference of the signatories to the Special Agreement shall be convened to consider the matter and recommend appropriate action before decisions are taken by the Committee. The conference shall determine its own procedure.

(c) Each signatory to the Special Agreement may assume the obligation to pay all or part of its quota of any such additional contributions, but no signatory to the Special Agreement shall be required to do so. To the extent that such obligation is not assumed by any signatory to the Special Agreement, it may be assumed by the remaining signatories to the Special Agreement in the proportion that their respective quotas bear to each other or as they may otherwise agree. However, if a signatory to the Special Agreement, which is a member of a group of signatories formed in order to appoint jointly a representative on the Committee pursuant to Article IV (b) of this Agreement, does not assume the obligation to pay such additional contributions, the remaining signatories of that group may assume that obligation in whole or in part to the extent that these remaining signatories may agree. The quotas of the signatories to the Special Agreement shall be adjusted accordingly.

#### ARTICLE VII

In order to ensure the most effective utilization of the space segment in accordance with the principles set forth in the Preamble to this Agreement, no earth station shall be permitted to utilize the space segment unless it has been approved by the Committee pursuant to Article 7 of the Special Agreement.

#### ARTICLE VIII

The Communications Satellite Corporation, incorporated under the laws of the District of Columbia, herein referred to as "the Corporation," shall, pursuant to general policies of the Committee and in accordance with specific determinations which may be made by the Committee, act as the manager in the design, development, construction, establishment, operation and maintenance of the space segment.

#### ARTICLE IX

(a) Having regard to the program outlined in Article I of this Agreement, within one year after the initial global system becomes operational and in any case not later than 1st January 1969, the Committee shall render a report to each Party to this Agreement containing the Committee's recommendations concerning the definitive arrangements for an international global system which shall supersede the interim arrangements established by this Agreement. This report, which shall be fully representative of all shades of opinion, shall consider, among other things, whether the interim arrangements should be continued on a permanent basis or whether a permanent international organization with a General Conference and an international administrative and technical staff should be established.

- (b) Regardless of the form of the definitive arrangements,
- (i) their aims shall be consonant with the principles set forth in the Preamble to this Agreement;
  - (ii) they shall, like this Agreement, be open to all States members of the International Telecommunication Union or their designated entities;
  - (iii) they shall safeguard the investment made by signatories to the Special Agreement; and
  - (iv) they shall be such that all parties to the definitive arrangements may have an opportunity of contributing to the determination of general policy.

(c) The report of the Committee shall be considered at an international conference, at which duly designated communications entities may also participate, to be convened by the Government of the United States of America for that purpose within three months following submission of the report. The Parties to this Agreement shall seek to ensure that the definitive arrangements will be established at the earliest practicable date, with a view to their entry into force by 1st January 1970.

#### ARTICLE X

In considering contracts and in exercising its other responsibilities, the Committee and the Corporation as manager shall be guided by the need to design, develop and procure the best equipment and services at the best price for the most efficient conduct and operation of the space segment. When proposals or tenders are determined to be comparable in terms of quality, c.i.f. price and timely performance, the Committee and the Corporation as manager shall also seek to ensure that contracts are so distributed that equipment is designed, developed and procured in the States whose Governments are Parties to this Agreement in approximate proportion to the respective quotas of their corresponding signatories to the Special Agreement; provided that such design, development and procurement are not contrary to the joint interests of the Parties to this Agreement and the signatories to the Special Agreement. The Committee and the Corporation as manager shall also seek to ensure that the foregoing principles are applied with respect to major sub-contracts to the extent that this can be accomplished without impairing the responsibility of the prime contractor for the performance of work under the contract.

#### ARTICLE XI

(a) Any Party may withdraw from this Agreement, and this Agreement shall cease to be in force for that Party three months after that Party shall have notified the Government of the United States of America of its intention to withdraw, and the latter shall inform the other Parties accordingly. In the event of such withdrawal, the corresponding signatory to the Special Agreement shall pay all sums already due under the Special Agreement, together with a sum which shall be agreed between that signatory and the Committee in respect of costs which will result in the future from contracts concluded prior to notification of withdrawal. If agreement has not been reached within three months after notification of withdrawal, the Committee shall make a final determination of the sums which shall be paid by that signatory.

(b) Not less than three months after the rights of a signatory to the Special Agreement have been suspended pursuant to Article 4 (d) of the Special Agreement, and if that signatory has not meanwhile paid all sums due, the Committee, having taken into account any statement by that signatory or the corresponding Party, may decide that the Party in question is deemed to have withdrawn from this Agreement; this Agreement shall thereupon cease to be in force for that Party.

(c) Withdrawal by a Party from this Agreement shall automatically effect withdrawal from the Special Agreement by the corresponding signatory to the Special Agreement, but the obligation to make payments under paragraph (a) of this Article or under Article 4 (d) of the Special Agreement shall not be affected by such withdrawal.

(d) Upon any withdrawal under paragraph (a) or (b) of this Article, the Committee, to the extent required to account for the quota of the withdrawing signatory to the Special Agreement, shall increase the quotas of the remaining signatories to the Special Agreement in proportion to their respective quotas or as they may otherwise agree. However, if the signatory to the Special Agreement

corresponding to the withdrawing Party was at the time of withdrawal a member of a group of signatories formed in order to appoint jointly a representative on the Committee pursuant to Article IV (b) of this Agreement, the quota of the signatory in question shall be distributed by increasing the quotas of the remaining signatories of that group to the extent that those remaining signatories may agree.

(e) Withdrawal by any Party may also take place if, at the request of the Party concerned, the Committee approves the transfer of the rights and obligations of that Party and the corresponding signatory to the Special Agreement under this Agreement and the Special Agreement to another Party and its corresponding signatory to the Special Agreement. Such transferee or transferees need not have been Parties to the Agreement or signatories to the Special Agreement prior to the time of such transfer.

#### ARTICLE XII

(a) This Agreement shall be open at Washington for six months from 19th August 1964 for signature:

- (i) by the Government of any State which is listed by name in the Annex to the Special Agreement when it is first opened for signature, and
- (ii) by the Government of any other State which is a member of the International Telecommunication Union, subject to approval by the Committee of the quota of that Government or its designated communications entity, public or private. On such approval and entry into force or provisional application, the name of that State and the name of its corresponding signatory to the Special Agreement, and its quota are deemed to be inserted in the Annex to the Special Agreement.

(b) The Government of any State which is a member of the International Telecommunication Union may accede to this Agreement after it is closed for signature upon such financial conditions as the Committee shall determine. On such accession, the name of that State and the name of its corresponding signatory to the Special Agreement, and its quota are deemed to be inserted in the Annex to the Special Agreement.

(c) The quotas of the signatories to the Special Agreement shall be reduced pro rata as necessary to accommodate additional signatories to the Special Agreement, provided that the combined original quotas of all signatories to the Special Agreement other than the signatories listed in the Annex to the Special Agreement when this Agreement is first opened for signature shall not exceed 17%.

(d) This agreement shall enter into force on the date upon which it has been signed without reservation as to approval, or has been approved after such reservation, by two or more Governments. Subsequently it shall enter into force in respect of each signatory Government on signature or, if it signs subject to a reservation as to approval, on approval by it.

(e) Any Government which signs this Agreement subject to a reservation as to approval may, so long as this Agreement is open for signature, declare that it applies this Agreement provisionally and shall thereupon be considered a Party to this Agreement. Such provisional application shall terminate

- (i) upon approval of this Agreement by that Government, or
- (ii) upon withdrawal by that Government in accordance with Article XI of this Agreement.

(f) Notwithstanding anything contained in this Article, this Agreement shall not enter into force for any Government nor be applied provisionally by any Government until that Government or its corresponding signatory shall have signed the Special Agreement.

(g) If at the expiration of a period of nine months from the date when it is first opened for signature this Agreement has not entered into force for or has not been provisionally applied by the Government of a State which has signed it in

accordance with paragraph (a) (i) of this Article, the signature shall be considered of no effect and the name of that State and of its corresponding signatory to the Special Agreement, and its quota shall be deemed to be deleted from the Annex to the Special Agreement; the quotas of the signatories to the Special Agreement shall accordingly be increased pro rata. If this Agreement has not entered into force for or has not been provisionally applied by the Government of a State which has signed it in accordance with paragraph (a) (ii) of this Article within a period of nine months from the date when it is first opened for signature, the signature shall be considered of no effect.

(h) The corresponding signatory to the Special Agreement of any Government which has signed this Agreement subject to a reservation as to approval, and which has not provisionally applied it, may appoint an observer to the Committee in the same manner as that signatory could have been represented in accordance with Article IV (b) of this Agreement if that Government had approved this Agreement. Any such observer, who shall have the right to speak but not to vote, may attend the Committee only during a period of nine months from the date when this Agreement is first opened for signature.

(i) No reservation may be made to this Agreement except as provided in this Article.

### ARTICLE XIII

(a) Notifications of approval or of provisional application and instruments of accession shall be deposited with the Government of the United States of America.

(b) The Government of the United States of America shall notify all signatory and acceding States of signatures, reservations of approval, deposits of notifications of approval or of provisional application, deposits of instruments of accession and notifications of withdrawals from this Agreement.

### ARTICLE XIV

Upon entry into force of this Agreement, the Government of the United States of America shall register it with the Secretary-General of the United Nations in accordance with Article 102 of the Charter of the United Nations.

### ARTICLE XV

This Agreement shall remain in effect until the entry into force of the definitive arrangements referred to in Article IX of this Agreement.

IN WITNESS WHEREOF the undersigned duly authorized thereto have signed this Agreement.

DONE at Washington this nineteenth day of August, 1964, in the English and French languages, both texts being equally authoritative, in a single original, which shall be deposited in the archives of the Government of the United States of America, which shall transmit a certified copy to each signatory or acceding Government and to the Government of each State which is a member of the International Telecommunication Union.

## SPECIAL AGREEMENT

Whereas certain Governments have become Parties to an Agreement Establishing Interim Arrangements for a Global Commercial Communications Satellite System; and

Whereas those Governments have undertaken therein to sign or to designate a communications entity to sign this Special Agreement;

The signatories to this Special Agreement hereby agree as follows:



## ARTICLE 1

In this Special Agreement:

(a) "The Agreement" means the Agreement Establishing Interim Arrangements for a Global Commercial Communications Satellite System opened for signature on August 19, 1964, at Washington;

(b) "The Committee" means the Interim Communications Satellite Committee established by Article IV of the Agreement;

(c) "The Corporation" means the Communications Satellite Corporation incorporated under the laws of the District of Columbia pursuant to the Communications Satellite Act of 1962 of the United States of America;

(d) "Design" and "development" include research;

(e) "Quota", in relation to a signatory, means the percentage set forth opposite its name in the Annex to this Special Agreement as modified pursuant to the Agreement and this Special Agreement;

(f) "Signatory" means a Government or a communications entity which has signed this Special Agreement and in respect of which it is in force;

(g) "The space segment" means the space segment defined in Article I (b) (i) of the Agreement.

## ARTICLE 2

Each signatory undertakes to fulfill the obligations placed upon it by the Agreement and thereby obtains the rights provided therein.

## ARTICLE 3

Each signatory undertakes to contribute a percentage of the costs of the design, development, construction and establishment of the space segment equal to its quota.

## ARTICLE 4

(a) During a period of nine months from the date when the Agreement is first opened for signature, each signatory shall, within four weeks from the date of entry into force of this Special Agreement for that signatory, make a payment on account to the Corporation, in United States dollars, or in currency freely convertible into United States dollars, of a percentage equal to its quota of the expenditure which the Corporation has incurred for the design, development, construction and establishment of the space segment prior to the date when the Agreement is first opened for signature, and, according to estimates established by the Corporation at that date, is to incur for those purposes within six months after that date, together with its proportionate share of any additional contribution required pursuant to paragraph (b) of this Article, and appropriate interest on all such amounts. Each signatory shall pay the remainder of its contribution pursuant to Article 3 of this Special Agreement in accordance with paragraph (b) of this Article.

(b) The Corporation shall submit to the Committee estimates of the time phasing of payments required pursuant to Article 3 of this Special Agreement. The Committee shall call on the signatories to make their respective proportionate payments in order to enable obligations to be met as they become due. Payments shall be made to the Corporation by each signatory in United States dollars, or in currency freely convertible into United States dollars, and in such amounts that, accounting on a cumulative basis, the sums paid by the signatories are in proportion to their respective quotas. Where a signatory other than the Corporation incurs obligations pursuant to authorization by the Committee, the Committee shall cause payments to be made to that signatory.

(c) Accounts for expenditure referred to in paragraphs (a) and (b) of this

Article shall be subject to review by the Committee and shall be subject to such adjustment as the Committee may decide.

(d) Each signatory shall pay the amount due from it under paragraph (b) of this Article on the date designated by the Committee. Interest at the rate of six percent per annum shall be added to any amount unpaid after that date. If the signatory has not made a payment within three months of its becoming due, the rights of the signatory under the Agreement and this Special Agreement shall be suspended. If, after such suspension, the Committee decides, pursuant to Article XI (b) of the Agreement, that the defaulting signatory is deemed to have withdrawn from this Special Agreement, the Committee shall then make a binding determination of the sums already due together with a sum to be paid in respect of the costs which will result in the future from contracts concluded while that signatory was a party. Such withdrawal shall not, however, affect the obligation of the signatory concerned to pay sums due under this Special Agreement, whether falling due before it ceased to be a party or payable in accordance with the aforesaid determination of the Committee.

#### ARTICLE 5

The following shall be included as part of the costs of the design, development, construction and establishment of the space segment to be shared by the signatories in proportion to their respective quotas:

(a) The direct and indirect costs for the design, development, construction and establishment of the space segment incurred by the Corporation prior to the date when the Agreement is first opened for signature;

(b) All direct and indirect costs for the design, development, construction and establishment of the space segment incurred by the Corporation or pursuant to authorization by the Committee by any other signatory on behalf of the signatories to this Special Agreement subsequent to the date when the Agreement is first opened for signature;

(c) All direct and indirect costs incurred by the Corporation which are allocable to its performance of services as manager in the design, development, construction and establishment of the space segment and appropriate compensation to the Corporation, as may be agreed between the Corporation and the Committee, for such services.

#### ARTICLE 6

The following shall not form part of the costs to be shared by the signatories:

(a) Taxes on the net income of any of the signatories;

(b) Design and development expenditure on launchers and launching facilities except expenditure incurred for the adaptation of launchers and launching facilities in connection with the design, development, construction and establishment of the space segment;

(c) The costs of the representatives of the signatories on the Committee and on its advisory sub-committees and the staffs of those representatives except insofar as the Committee may otherwise determine.

#### ARTICLE 7

(a) In considering whether an earth station should be permitted to utilize the space segment, the Committee shall take into account the technical characteristics of the station, the technical limitations on multiple access to satellites due to the existing state of the art, the effect of geographical distribution of earth stations on the efficiency of the services to be provided by the system, the recommended standards of the International Telegraph and Telephone Consultative Committee and the International Radio Consultative Committee of the International Telecommunication Union, and such general standards as the Com-

mittee may establish. Failure by the Committee to establish general standards shall not of itself preclude the Committee from considering or acting upon any application for approval of an earth station to utilize the space segment.

(b) Any application for approval of an earth station to utilize the space segment shall be submitted to the Committee by the signatory to this Special Agreement in whose area the earth station is or will be located, or, with respect to other areas, by a duly authorized communications entity. Each such application shall be submitted either individually or jointly on behalf of all signatories and duly authorized communications entities intending to utilize the space segment by means of the earth station which is the subject of the application.

(c) Any application for approval of an earth station located in the territory of a State whose Government is party to the Agreement which is to be owned or operated by an organization or organizations other than the corresponding signatory shall be made by that signatory.

#### ARTICLE 8

(a) Each applicant for approval of an earth station pursuant to Article 7 of this Special Agreement shall be responsible for making equitable and non-discriminatory arrangements for the use of the earth station by all signatories or duly authorized communication entities intended to be served by the earth station individually or jointly with other earth stations.

(b) To the extent feasible the Committee shall allot to the respective signatory or duly authorized communications entity, for use by each earth station which has been approved pursuant to Article 7 of this Special Agreement, an amount of satellite utilization appropriate to satisfy the total communications capability requested on behalf of all signatories and duly authorized communications entities to be served by such earth station.

(c) In making allotments of satellite utilization the Committee shall give due consideration to the quotas of the signatories to be served by each earth station.

#### ARTICLE 9

(a) The Committee shall specify the unit of satellite utilization and from time to time shall establish the rate of charge per unit at a level which, as a general rule, shall be sufficient, on the basis of the estimated total use of the space segment, to cover amortization of the capital cost of the space segment, an adequate compensation for use of capital, and the estimated operating, maintenance and administration costs of the space segment.

(b) In establishing the unit rate of charge pursuant to paragraph (a) of this Article, the Committee shall include in the estimated operating, maintenance and administration costs of the space segment the estimated direct and indirect costs of the space segment the estimated direct and indirect costs of the Corporation which are allocable to its performance of services as manager in the operation and maintenance of the space segment and appropriate compensation to the Corporation, as may be agreed between the Corporation and the Committee, for such services.

(c) The Committee shall arrange for the payment of charges for allotments of satellite utilization to be made quarterly to the Corporation. The charges shall be computed in United States dollars and paid in United States dollars or in currency freely convertible into United States dollars.

(d) The components of the unit rate of charge representing amortization and compensation for the use of capital shall be credited to the signatories in proportion to their respective quotas. In the interests of avoiding unnecessary transfers of funds between signatories, and of keeping to a minimum the funds held by the Corporation on behalf of the signatories, the Committee shall make suitable arrangements for funds representing these components to be retained by

signatories where appropriate or, if collected, to be distributed among the signatories in such a way that the credits established for signatories are discharged.

(e) The other components of the unit rate of charge shall be applied to meet all operating, maintenance, and administration costs, and to establish such reserves as the Committee may determine to be necessary. After providing for such costs and reserves, any balance remaining shall be distributed by the Corporation, in United States dollars, or in currency freely convertible into United States dollars, among the signatories in proportion to their respective quotas; but if insufficient funds remain to meet the operating, maintenance and administration costs, the signatories shall pay to the Corporation, in proportion to their respective quotas, such amounts as may be determined by the Committee to be required to meet the deficiency.

(f) The Committee shall institute appropriate sanctions in cases where payments pursuant to this Article shall have been in default for three months or longer.

#### ARTICLE 10

(a) All contracts placed by the Corporation or by any other signatory pursuant to authorization by the Committee relating to design, development and procurement of equipment for the space segment shall, except as otherwise provided by the Committee, be based on responses to appropriate requests for quotations or invitations to tender from among persons and organizations qualified to perform the work under the proposed contract whose names are furnished to the Committee by the signatories.

(b) For contracts which exceed U.S. \$125,000 the issue by the Corporation of requests for quotations or invitations to tender shall be in accordance with such conditions as the Committee may determine. The Corporation shall keep the Committee fully informed of decisions taken relating to such contracts.

(c) The Corporation shall consult the Committee before issuing requests for proposals and invitations to tender for contracts for design, development and procurement of equipment for the space segment which are expected to exceed U.S. \$500,000. If, as a result of its evaluation of responses to such requests or invitations, the Corporation desires that a contract be placed which exceeds U.S. \$500,000, it shall submit its evaluation and recommendations to the Committee. The approval of the Committee shall be required before each such contract is placed either by the Corporation as manager or by any other signatory pursuant to authorization by the Committee.

(d) The Committee shall approve the program for the launching of satellites and for associated services, the launch source and the contracting arrangements.

(e) Except as otherwise directed by the Committee, and subject to paragraphs (c) and (d) of this Article, all contractors shall be selected by the Corporation and all contracts shall be in the name of and be executed and administered by the Corporation as manager.

(f) Except as otherwise determined by the Committee, all contracts and sub-contracts placed for design, development and procurement of equipment for the space segment shall contain appropriate provisions to the effect that all inventions, technical data and information arising directly from any work performed under such contracts (except inventions, technical data and information pertaining to launchers and launchings) shall be disclosed to the Committee and may be used only in the design, development, manufacture and use of equipment and components for the space segment established under the present interim arrangements or under any definitive arrangements which may succeed these interim arrangements, without payment of royalties, by each signatory or any person in the jurisdiction of a signatory or the Government which has designated that signatory.

(g) Except as it may otherwise determine, the Committee shall endeavor to

have included in all contracts placed for design and development appropriate provisions which will ensure that inventions, technical data and information owned by the contractor and its sub-contractors which are directly incorporated in work performed under such contracts, may be used on fair and reasonable terms by each signatory or any person in the jurisdiction of a signatory or the Government which has designated that signatory, provided that such use is necessary, and to the extent that it is necessary to use such inventions, technical data and information for the exercise of the right to use under paragraph (f) of this Article.

(h) The provisions of this Article shall not be held to apply to contracts for design, development, construction and establishment of the space segment to which the Corporation is a party on the date when the Agreement is first opened for signature. Subject to the provisions of Article 4 (c) of this Agreement, all such contracts shall be recognized by the Committee as continuing obligations for budgetary purposes.

#### ARTICLE 11

Each signatory shall keep such books, records, vouchers and accounts of all costs for which it is authorized to be reimbursed under this Special Agreement with respect to the design, development, construction, establishment, maintenance and operation of the space segment as may be appropriate and shall at all reasonable times make them available for inspection by members of the Committee.

#### ARTICLE 12

In addition to functions stated elsewhere in this Special Agreement, the Corporation, as manager pursuant to Article VIII of the Agreement, shall:

- (a) prepare and submit to the Committee the annual programs and budgets;
- (b) recommend to the Committee the type or types of space segment to be established;
- (c) plan, conduct, arrange for and co-operate in studies, design work and development for improvement of the space segment;
- (d) operate and maintain the space segment;
- (e) furnish to the Committee such information as may be required by any representative on the Committee to enable him to discharge his responsibility as a representative;
- (f) arrange for technicians, selected by the Committee with the concurrence of the Corporation from among persons nominated by signatories, to participate in the assessment of designs and of specifications for equipment for the space segment;
- (g) use its best efforts to arrange for inventions, technical data and information arising directly from any jointly financed work performed under contracts placed before the date on which the Agreement is opened for signature to be disclosed to each signatory and to be made available for use free of charge in the design, development, manufacture and use of equipment and components for the space segment by each signatory or any person in the jurisdiction of the signatory or the Government which has designated that signatory.

#### ARTICLE 13

Neither the Corporation as signatory or manager, nor any other signatory as such, shall be liable to any other signatory for loss or damage sustained by reason of a failure or breakdown of a satellite at or after launching or a failure or breakdown of any other portion of the space segment.

#### ARTICLE 14

Arrangements shall be made whereby all legal disputes arising in connection

with this Special Agreement or in connection with the rights and obligations of signatories can, if not otherwise settled, be submitted to the decision of an impartial tribunal, to be established in accordance with such arrangements, which would decide such questions in accordance with general principles of law. To this end, a group of legal experts appointed by the signatories and by the prospective signatories listed in the Annex to this Agreement when it is first opened for signature shall recommend a draft of a Supplementary Agreement containing such arrangements; the signatories shall, after considering that draft, conclude a Supplementary Agreement for such arrangements within a period of three months from the date when the Agreement is first opened for signature. The Supplementary Agreement shall be binding on all those who subsequently become signatories to this Special Agreement.

#### ARTICLE 15

Any proposed amendment to this Special Agreement shall first be submitted to the Committee. If recommended by the Committee for adoption, it shall enter into force for all signatories when notifications of approval have been deposited with the Government of the United States of America by two-thirds of the signatories, provided that no amendment may impose upon any signatory any additional financial obligation without its consent.

#### ARTICLE 16

This Special Agreement shall enter into force for each signatory on the day of signature, provided that the Agreement shall have entered into force for or shall have been provisionally applied by the Government which is or has designated the signatory in question; it shall continue in force for as long as the Agreement continues in force.

IN WITNESS WHEREOF the undersigned duly authorized thereto have signed this Special Agreement.

DONE at Washington this twentieth day of August, 1964, in the English and French languages, both texts being equally authoritative, in a single original, which shall be deposited in the archives of the Government of the United States of America, which shall transmit a certified copy to each signatory or acceding Government and to the Government of each State which is a member of the International Telecommunication Union.

## Annex

## List of Prospective Signatories to the Special Agreement

<i>Country</i>	<i>Name of Signatory</i>	<i>Quota</i>
Australia	Overseas Telecommunications Commission (Australia)	2.75
Austria	Bundesministerium für Verkehr und Elektrizitätswirtschaft, Generaldirektion für die Post und Telegraphenverwaltung	0.2
Belgium	Régie des Télégraphes et Téléphones	1.1
Canada	Canadian Overseas Telecommunication Corporation	3.75
Denmark	Generaldirektoratet for Post og Telegrafvesenet	0.4
France	Government of the French Republic	6.1
Germany	Deutsche Bundespost	6.1
Ireland	An Roinn Poist Agus Telegrafa	0.35
Italy	to be designated	2.2
Japan	Kokusai Denshin Denwa Company Ltd.	2.0
Netherlands	Government of the Kingdom of the Netherlands	1.0
Norway	Telegrafstyret	0.4
Portugal	Administração Geral dos Correios, Telegrafos e Telefones	0.4
Spain	Government of the State of Spain	1.1
Sweden	Kungl. Telestyrelsen	0.7
Switzerland	Direction Générale des PTT	2.0
United Kingdom of Great Britain and Northern Ireland	Her Britannic Majesty's Postmaster General	8.4
United States of America	Communications Satellite Corporation	61.0
Vatican City	Government of the Vatican City State	0.05