AMENDMENT TO THE DEFENSE AGREEMENT PURSUANT TO THE NORTH ATLANTIC TREATY BETWEEN THE UNITED STATES OF AMERICA AND THE REPUBLIC OF ICELAND OF MAY 5, 1951



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Preamble

The Government of the United States of America (hereafter the United States) and the Government of the Republic of Iceland (hereafter Iceland) (hereafter collectively referred to as the Parties and singularly as Party);

Recalling the Parties rights and obligations under the Defense Agreement Pursuant to the North Atlantic Treaty Between the United States of America and the Republic of Iceland, signed at Reykjavik on May 5, 1951, and its annexes and technical schedules (hereafter the 1951 Agreement), and

Desiring to amend the annexes and technical schedules to the 1951 Agreement to reflect the redeployment of United States forces from Iceland and the return of certain agreed areas and facilities;

Have agreed as follows:

Article I

Article 1 of the General Annex of the 1951 Agreement shall be replaced by the following text:

The United States may enter upon and use for military purposes, in furtherance of the defense of Iceland and the North Atlantic Treaty area in carrying out plans of the North Atlantic Treaty Organization or its duly authorized delegate, the areas to be agreed upon between the parties hereto such areas being herein referred to as the agreed areas and further for these same purposes the United States shall be given such access to airfields, ports and other places within Iceland and the adjacent water and air spaces as is agreed to by the parties at any given time to be required by the military

situation for the defense of Iceland, for defense of the North Atlantic Treaty area, or for other purposes as may be agreed to by the parties.

Article II

Article 2 of the General Annex of the 1951 Agreement shall be replaced by the following text:

In the interest of the security of the North Atlantic Treaty area, any of the agreed areas and any of the operating privileges granted by this Agreement may be made available to the armed forces of the other parties to the North Atlantic Treaty consistently with decisions and plans of, and under such conditions as may be adopted by, the North Atlantic Treaty Organization or its duly authorized delegate. The prior approval of the Icelandic Government shall be required for the stationing of such armed forces in Iceland except in a military emergency in which case Icelandic approval shall be sought without delay. The provisions of this Article shall not be construed to affect the total number of U.S. forces personnel who may be present in Iceland pursuant to the terms of this Agreement.

Article III

Article 4 of the General Annex of the 1951 Agreement shall be replaced by the following text:

In time of hostilities or military contingency, the United States may, insofar as shall be mutually agreed to be necessary for the purposes of this Agreement, control landings, take-offs, anchorages, moorings, movements and operation of ships and water-borne craft, aircraft and vehicles in and near Iceland.

Article IV

Paragraph 1 of Article 7 of the General Annex to the 1951 Agreement shall be replaced by the following text:

1. Under the Agreement dated October 7, 1946, between the United States and Iceland, as implemented by subsequent arrangements between the parties, certain immovable property, installations and facilities at Keflavik Airport have become the property of Iceland and other immovable property, installations and facilities will become the property of Iceland upon termination of that Agreement. Iceland agrees that all such property which shall upon the coming into force of this Agreement be owned by the Icelandic Government or its subdivisions or agencies and be situated upon or used in connection with operations at Keflavik Airport, and any other property then so owned and situated or used shall be available for occupancy and use by the United States for the purposes of this Agreement, without charge and without restriction except as provided in this Agreement. The Party responsible for bearing the cost of maintaining each agreed area shall be determined through mutual agreement of the parties.

Article V

Article 10 of the General Annex of the 1951 Agreement shall be replaced by the following text:

United States public vessels and aircraft, and the armed forces vehicles, including armor, of the United States shall in connection with operations under this Agreement, be accorded free access to and movement between ports, airfields, the agreed areas and other places as provided in Article 1 through Iceland, including territorial waters, by land, air and sea. This right shall include freedom from compulsory pilotage and all toll charges. United States aircraft may in connection with operations under the 1951 Agreement fly over and land in any of the territory of Iceland, including the territorial waters thereof, without restriction except as mutually agreed.

Article VI

Article 11 of the General Annex of the 1951 Agreement shall be replaced by the following text:

The United States may, in agreement with the Icelandic authorities, construct and maintain necessary roads and bridges, and improve and deepen harbors, channels, entrances and anchorages, affording access to the agreed areas. The United States and Iceland may consult together with a view to entering into arrangements under which the United States will participate in the increased maintenance of roads due to use by the United States.

Article VII

Article 12 of the General Annex of the 1951 Agreement shall be replaced by the following text:

The United States agrees that members of the United States forces and their dependents and non-Icelandic employees of United States Government contractors shall reside within the agreed areas if suitable residential facilities are present thereon. If such facilities are not so present, the appropriate authorities of Iceland and the United States shall agree upon residential arrangements for such personnel. This Article shall not be so construed as to prevent such personnel who may be in a transient or leave status from remaining for short periods of time in hotels or similar establishments in Iceland which are open to the general public upon a space available basis.

Article VIII

Article 1 of the Annex on Civil Air Operations of the 1951 Agreement shall be replaced by the following text:

Civil Aviation is under the control of Iceland. Recognizing Iceland's responsibility for the regulation of civil aviation, the United States agrees that nothing in this Agreement shall be in derogation of operational, safety and similar regulations put into effect by Iceland to govern the use of Keflavik Airport by civil aircraft. Iceland will keep the United States informed of any amendments, rescissions or supplementation of any such regulations now in effect.

Article IX

Article 2 of the Annex on Civil Air Operations of the 1951 Agreement shall be replaced by the following text:

Iceland is responsible for all aviation operations at Keflavik Airport at the risk and the expense of Iceland. It is understood, however, that, upon their determination that it is necessary due to military necessity relating to hostilities or a military contingency, the United States military authorities may in connection with operations under the 1951 Defense Agreement

assume full direction of and responsibility for operational control (including tower and approach control) and operational services relating to civil aviation operations for such periods as they deem necessary. Normally, aircraft, civilian or military, will be serviced in the order of arrival upon the airport unless military necessity requires priority services for the military aircraft. Aircraft owned or operated by or at the time exclusively for United States Department of Defense shall not be subject to overflight, navigation, terminal charges or similar charges in connection with United States forces' missions and operations and shall not be subject to payment of landing and parking fees at Icelandic Airports. Otherwise, reasonable charges for services requested and received by such aircraft at Icelandic Airports shall be paid by the United States Department of Defense or the operator of such aircraft. In view of the I.C.A.O. designation of responsibility for oceanic area traffic control to Iceland, the United States and Iceland will coordinate their activities in this regard in order to assure essential security as well as safety measures.

Article X

Article 3 of the Annex on Civil Air Operations of the 1951 Agreement shall be deleted, and Article 4 shall be renumbered as Article 3 and the text shall be replaced by the following text:

The Government of Iceland, for security reasons, or the North Atlantic Treaty Organization military authorities in connection with operations under the 1951 Agreement, for military reasons, shall have the right summarily to restrict on a temporary or continuing basis civil air operations at Keflavik Airport. Every reasonable effort will be made to avoid interruption of civil air operations.

Article XI

Article 5 of the Annex on Civil Air Operations of the 1951 Agreement shall be renumbered as Article 4 and replaced by the following text:

The United States and Iceland will from time to time consult together, through their appropriate authorities, with a view to making plans and arrangements whereby military and civilian air operations may co-exist at Keflavik Airport during future activities involving the United States and/or the North Atlantic Treaty Organization.

Article XII

Article 6 of the Annex Civil Air Operations of the 1951 Agreement shall be deleted.

Article XIII

Technical Schedule 1 of the 1951 Agreement shall be replaced by the following text:

This technical schedule sets forth the areas agreed upon between the United States and Iceland pursuant to Article 1 of the General Annex to the Agreement between them dated May 5, 1951, and supplements Article 3 of the same Annex by setting forth arrangements and facilities agreed upon as of particular importance for each area.

GRINDAVIK AREA

Area. The government-owned Grindavik area, comprising approximately 1049 acres located west of the town of Grindavik.

General. The United States military authorities and Iceland will consult together, to the extent military requirements permit, relative to the location of structures and facilities that the United States may desire to construct in the Grindavik agreed area.

Responsibility. The United States shall bear the responsibility for the costs of maintenance of the Grindavik agreed area.

Facilities. Communications facilities, including radio and radar apparatus and electronic devices of any desired power, type of emission and frequency; power and distribution systems; associated antennas and control buildings and facilities necessary for support of operations.

Article XIV

Technical Schedule 2 of the 1951 Agreement shall be replaced by the following text:

With the concurrence of Iceland, the United States, on behalf of the North Atlantic Treaty Organization, may deploy personnel to Iceland pursuant to the Agreement of May 5, 1951. The Parties recognize that the strategic situation or the need to deploy supporting forces that might be required in the event of hostilities may lead to proposals by the North Atlantic Treaty Organization or its representative to augment the security forces, even in the absence of hostilities. Iceland has advised the United States that it has taken note of these statements and that any such proposals will be given serious consideration taking into account the responsibilities of the North Atlantic Treaty Organization and its members. Iceland has further informed the United States that it recognizes that whenever the contingency provided for in Articles 5 and 6 of the North Atlantic Treaty shall occur, the number of military personnel to be deployed to Iceland is a matter to be determined by the North Atlantic Treaty Organization military authorities and agreed upon by Iceland.

Article XV

Technical Schedule 3 of the 1951 Agreement shall be replaced by the following text:

This technical schedule sets forth the measures of control to be exercised by the United States over aircraft, vessels and vehicles as agreed between the United States and Iceland and supplements Article 4 of the General Annex to the Agreement between them dated May 5, 1951.

Aircraft: The United States does not intend to exercise control of aircraft movements in Iceland. The United States does not intend any further activity relating to aircraft under Article 4 of the General Annex except that, when present in Iceland, United States forces may take action for the purpose of identifying approaching aircraft and controlling the movement of any believed to be unfriendly.

Vessels: The United States does not intend any activity relating to vessels under Article 4 of the General Annex except that when present in Iceland,

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United States forces may take action for the purpose of identifying approaching vessels and controlling the movement of any believed to be unfriendly.

Vehicles: The United States desires to control movement of vehicles in, into and out of the agreed areas, but not outside of the agreed areas.

Hostilities or military contingency: In time of hostilities or in a military contingency the United States would expect to exercise control over movement of vessels, aircraft and vehicles in Iceland and adjacent waters and air spaces to the extent required by the military situation in connection with operations under the 1951 Defense Agreement.

Article XVI

Technical Schedule 5 of the 1951 Agreement shall be deleted.

This Agreement shall enter into force upon the date of signature of the Parties.

DONE at Washington this 27th day of September, 2006,

FOR THE GOVERNMENT OF THE UNITED STATES OF AMERICA

2.37

this 27 DONE a 2006. day of

FOR **#**HE GOVERNMENT OF THE REPUBLIC OF ICELAND

in duplicate in the English language, an Icelandic language text shall be prepared which shall be considered equally authentic upon an exchange of diplomatic notes confirming its conformity with the English language text.