International Legal Status

and

Institutional Structure of SITA

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Abstract

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Through its global transmission network, Societe Internationale de Telecommunications Aeronautiques (SITA) provides aeronautical telecommunications related to safety of air navigation, flight planning, reservations, etc., to 243 airlines of 154 nations.

Comprehensive comparison of SITA with two governmental institutions (International Maritime Satellite Organisation (INMARSAT) and European Organisation for the Safety of Air Navigation (EUROCONTROL)) - reveals no substantive dissimilarity. All three possess infrastructures worth millions of dollars, operate transnationally and in areas beyond national jurisdiction, and supply telecommunication services to private persons on a non-profit basis.

Other than "Form", no rationale emerges for endowment of International Legal Personality and related privileges and immunities on INMARSAT and EUROCONTROL. The author proposes specification of "objective" criteria, whereunder an institution, governmental or not, can claim an International Legal Status commensurate with the essentiality of its international function to the nations and peoples of the world.

Résumé

International Legal Status and Institutional Structure of SITA

Par le moyen de son réseau de transmission globale, la Société Internationale de Télécommunications Aéronautiques (SITA) fournit un service de télécommunications aéronautiques qui embrasse la securité de la navigation aérienne, les réservations pour les plans de vol etc., pour 243 compagnies aériennes de 154 pays.

Une comparaison détaillée et complète de SITA avec deux institutions gouvernementales ne révèle aucune différence substantive. Toutes les trois possèdent des infrastructures qui valent des millions de dollars; elles fonctionnent à travers les frontières nationales et dans les zones au-delà de la jurisdiction nationale; et elles fournissent des services de télécommunications aux particuliers à but non-lucratif.

A part la "forme", il n'y a aucune raison à doter INMARSAT et EUROCONTROL de la personnalité juridique internationale et des privilèges et des immunités associées. L'auteur propose l'établissement des critères "objectifs" selon lesquels une institution, qu'elle soit gouvernementale ou non, pourrait exiger le status légal international qui répondit à l'importance de son rôle international pour les nations et les peuples du monde.

Notice

The Committee of Examiners, at the end of the oral examination, instructed some modifications to the original presentation of the thesis. This has been done. However, where factual changes did not make any difference to the quality of legal arguments, the information, as submitted in 1983, remains unaltered.

The research and analytical efforts of this work may be approached in the following order of priority:-

(1) Chapters 5 and 6 (Constitution of SITA), along with Chapter 10 CONCLUSION - Legal Personality of SITA contain the principal body of information and the core of legal arguments.

(2) Part II (Chapters 7, 8 and 9) provides the essential legal materials pertaining to the general features of International Institutions. The latter two chapters present comparative illustrations of INMARSAT and EUROCONTROL, with a particular emphasis on their functional aspects which they share with SITA.

(3) Chapters 1-3 (even though a consequence of research de novo) may be considered useful for full historical and operational comprehension of SITA. Chapter 4, on the other hand, sketches the diversification of SITA activities, and indicates the new directions in which it may diversify in the years to come.

CONTENTS

Preface

Dr. Thomka Gazdik, the ex-General Counsel of the International Air Transport Association (IATA), during the delivery of a lecture in the Institute of Air and Space Law in September 1981, was the first to inform the author of the existence of the Societe Internationale de Telecommunications Aeronautiques (SITA). He spoke enthusiastically about this institution and highlighted the indispensability of its services to the smooth functioning of international scheduled air transport. He pointed out the "cooperative" nature of SITA and expressed an interest in someone researching further into the status of this institution in International Law. Inspired by the non-profit and essentially international nature of the functions of SITA, as well as omission of States in the fulfilment of their obligations under the Chicago Convention 1944 to provide facilities of this kind adequately across their borders, the author submitted a proposal for research on SITA, as a part of his doctoral programme.

Research on international regulatory or political institutions is full of legal niceties and can provide a haven for a researcher to disentangle the conundries of legal arguments. This was, as the author painfully discovered, not the case in respect of an operational institution. Comprehensive description of institutional facets of SITA, as well as of INMARSAT and EUROCONTROL (two comparative institutions discussed in this thesis), proved to be an arduous job. Since this thesis is the first work of its kind on SITA, accumulation of information about this body was even more difficult, and it was necessary to sift through numerous small publications to produce a sufficiently accurate picture.

The author has tried to present a purview of SITA and, after comparing it with the institutional structures of INMARSAT and EUROCONTROL, has raised the argument that there should be some "objective" criteria governing the International Legal Status of international institutions, regardless of their governmental, quasi-governmental or non-governmental character. The author, as an academic, can only invite the attention of the makers of International Law (the sovereign States) to bear upon this issue. It is hoped that the "objective" approach suggested in this thesis provides a useful basis for the formulation of *lege ferenda* in this field. By this method the "substance" of institutional functions, rather than the mode of its establishment, should dictate the conferment of International Legal Status (and the privileges and immunities connected thereto) on an international institution.

The author is grateful to Mr. Solly Dwek (Director General Adjoint of SITA) and Mr. Peter Groves (the Regional Manager of SITA in London) for giving a considerable amount of their precious time to meet him and to provide him with information about the institution, both orally and in document form. Thanks are also expressed to Mr. Duport (Secretary General of SITA), Mr. Andorka (Director of Information and Public Relations of SITA), Mr. D. J. T. Stewart (Head of External Relations, Information and Press of EUROCONTROL), Ms Stephanie Collins (INMARSAT Public Relations) and Mr. David Wright (Press Officer of INMARSAT) for responding to the author's many inquiries and for the provision of a number of documents about their respective institutions. Deep appreciation is also extended to the staff of the Institute of Advanced Legal Studies of University of London, who not only assisted in the location of many obscure legal publications, but also provided a secluded reading room.

Last, but not least, the author candidly acknowledges the invaluable support given to him by his wife, Heather, who proved to be dependable in providing the sighted help for accomplishing the physical production of this thesis.

Amir A. Majid

Abbreviations

In producing the References in the text, footnotes or bibliography, guidance has been sought from "A Uniform System of Citation". The multiplicity of sources, however, has forced the author to employ more than one format. An effort has been made to assist the reader, to the maximum extent possible, to identify, distinguish and locate the materials referred to in the Thesis. To avoid repetition and to save space, the use of the following abbreviations has been considered advisable:-

AR-BD-GA - Annual Report from the Board of Directors to the General Assembly

DG - Director General

OV - Ocean Voice (a quarterly Journal of Inmarsat)

PGS - Pocket Guide to SITA

SAA - SITA Articles of Association (August 1981)

SAR - SITA Annual Report

SC - SITA Communications (a magazine, issued by SITA, usually on a bi-monthly basis)

SN - SITA News

PART I

SITA

Evolution, Operation and Constitution

Prelude to Part I

In this part of the thesis, a detailed account of the history, operations and Constitution of SITA has been presented. The historical and operational features of SITA (which, as a lawyer, the author found tedious to collate) are made pronounced so that the readers themselves can formulate an opinion about the "importance" of this institution in a "factual" manner.

The presentation of a comprehensive portrait of the operations of this institution has also been deemed necessary in order to find out what motivated its foundation; who are the financiers of it; and who actually benefits from the services provided by it. These details also enable us to judge to what extent, if any, SITA is open to be influenced de jure or de facto, by entities other than its Member Airlines, e.g. nations from which it leases telecommunication circuits which formulate its transmission network, or international institutions like ITU which regulates the leasing of such circuits internationally.

Most importantly, the five chapters in this part, dealing with creation, evolution, operation and constitution of SITA, bring to the surface the salient institutional features of SITA. Of course, this is absolutely necessary for the conduct of an efficient comparison of SITA with other governmental or non-governmental institutions, to find out what SITA has in common with them.

Another reason for the analysis of the operational components of SITA was to underscore those aspects of SITA activities which might have been the subject matter of the legal obligations assumed by States through various international treaties such as the Chicago Convention on International Civil Aviation 1944. The isolation of such quasi-governmental functions of SITA will undoubtedly be helpful in the proferring of the argument, mainly in Part III of this thesis, that the omission by states to discharge these legal obligations, and their performance by SITA, amounts to a tacit delegation of the functions involved to the institution of SITA.

CHAPTER 1

INTRODUCTION TO SITA

Societe Internationale de Telecommunications Aeronautique (International Society of Aeronautical Telecommunications), generally known as "SITA" is, a global telecommunications system, providing a variety of services to airlines engaged in public civil air transport. It is a co-operative which is owned by and operates on behalf of its Member Airlines, whose shares in SITA are proportionate to their respective utilisation of SITA services. Its Registered Office is in Brussels and its administrative head office is located in Neuilly-sur-Seine, a suburb of Paris.

The institution of SITA was created on 23 February 1949, subsequent to the pooling of communications resources by eleven airlines(1).

In the initial stage SITA acted like a 'clearing house"; it administered the shared circuits of its Member Airlines and apportioned the costs amongst them(2). Soon it took charge of the management of the shared circuits as an operational body and its membership started to grow. Its geographical coverage broadened to cover over 150 countries which are linked by its transmission network comprising 500 medium speed and 5000 low speed transmission circuits(3), linking up almost every important city and airport of the world. At the beginning of 1983, 243 airlines were using these circuits for seats reservations(4). These reservations may be made by an airline office in its own seats reservation system, or with the system of another airline, through the switching centres of SITA scattered all over the world.

A "switching centre" of SITA receives a message and switches it to the appropriate reservations system, and vice versa. Indeed it provides (in respect of Type "A" traffic) an almost instantaneous communication link. Not all messages sent over the SITA Network are "interactive", i.e. require an instantaneous response. Communications are sometimes sent by the offices of airlines, in cities or at airports, to the data processing facilities at their Head Offices, reporting a variety of things - rotation of aircraft and crew, break-down of an aircraft and redeployment of equipment, sickness of staff and requests for replacements, and any other administrative or operational matter. Small reports, for example, may be sent from different offices of an airline to its data Processing unit at Head Office, providing a comprehensive world-wide picture to the planners of flight operations and, thereby, enabling them to effect their plans most efficiently and economically(5).

The messages requiring instantaneous response are categorised by SITA as Type "A" messages, while the messages which can be delivered after some time or do not need any response at all, are categorised as Type "B"(6). "Type A" messages, which are also known as "conversational" messages because they are of enquiry/response type, usually deal with seats reservations and are short in length - an average message of this type contains eighty characters. SITA Network provides the users with a response time of three seconds to establish a line of communication between the airline office, SITA switching centre and the data processing facility dealing with the reservations and other information of the airline concerned.

A "Type B" message, typically is 200 characters long, and SITA can provide 100 per cent security against message loss or mutilation(7). Type B messages are "switched" from one SITA centre to another centre and are delivered to the addressee like any other telegram. In addition to dealing with the functional and administrative matters relating to flight operations, air navigation safety, aircraft movement, tracing of luggage, flight services, etc., these messages also exchange reservations reports with other airline reservations systems connected to the transmission facilities of the SITA Network. The delivery of these messages depends on the urgency of their content; therefore, the delivery time by SITA of these messages may vary from a few minutes to a few hours.

To be able to communicate through the SITA Network, an airline office must be equipped with a "terminal" which in the case of Type A traffic, is a CRT (Cathode Ray Tube) Agents Set and, in the case of Type B traffic, a teleprinter. The expression "terminal" includes accessories which may be necessary to benefit from the more sophisticated services which may be provided by the SITA Network, e.g. "Data Switching Service", whereby airlines can transport their data by computer-to-computer means, in small or large volumes(8). Using the technical expertise accumulated over the years by its Technical Department, if necessary, SITA modifies a terminal available on the open market to ensure optimum compatibility, reliability and performance of it in conjunction with the SITA Network(9). In 1982, over 10000 CRT Agent's Sets(10) and over 11000 teleprinters(11) were connected to the SITA Network.

In the early years of SITA, the CRT terminals had not come into use and in the first two decades of its existence its traffic consisted of Type B messages. With the introduction of CRT terminals in the early seventies, the traffic started to grow in this category, replacing the Type B means of transmission. In 1976, for instance, Type A only formed 26 per cent of the total traffic of SITA and the teleprinters still outnumbered the CRT terminals by eight to one(12). The growth in the traffic carried by the SITA Network remained mainly in the Type A field; however, albeit at a lower speed, Type B traffic also continued to grow because many areas of the world could only afford teleprinters. The telegraphic message volume (Type B) registered a decrease of 0.8 per cent, probably for the first time in 1982. On the other hand, the Type A was 24 per cent more in 1982 than in 1981(13). Type A traffic (also known as data traffic) in 1982 amounted to 435 billion characters out of the total traffic of 527 billion characters carried that year over the SITA Network(14).

The telecommunications circuits, on which the messages flow to and from the data processing facilities of the airlines through the SITA

Switching Centres, are leased by SITA from various nations. Their availability and scarcity in a particular country, sometimes, dictates the financial and operational planning of SITA(15). Some countries have been pressing for charging the rentals on the basis of the volume of traffic transmitted on a particular leased circuit, and wish to change the current system whereby a fixed amount is paid for a particular period of the lease. At present, fortunately, information by way of telecommunications and digital transmission can, unlike other goods, cross borders without much restriction. As a general rule, 50 per cent of the rentals for these leased circuits are paid by SITA in the currency of the country in which they exist(16).

The 5500 (both low and medium speed) circuits connect 12000 offices of SITA Member Airlines in 800 city centres in 152 countries, through the 174 switching centres(17). The SITA switching centres, in addition to the overall central supervision of the Administrative Head Office in Paris, are administratively co-ordinated by the following twenty-seven Principal Regional Offices(18):-

Abidjan

Amsterdam

Atlanta

Bahrain

Bangkok

Beirut

Bogota

Bombay

Cairo

Copenhagen

Dakar

Douala

Frankfurt

Guatemala City

Harare

Hong Kong

London

Madrid

Nairobi

New York

Nicosia

Paris (French Reg. Office)

Rio de Janeiro

Paris (African Reg. Office)

Rome

Tokyo

Zurich

Mostly the switching centres, as well as the Regional Offices, are managed and operated by the employees recruited from the country in which they are located(19). On 31st December 1982, there were 1866 employees working in the different establishments of SITA, over 300 of whom were working at the Head Office in Paris. Other than executive, financial, managerial and planning staff, most of SITA staff consists of technicians, computer programmers and operators of all types of machinery.

The switching centres are equipped with "sophisticated" equipment, e.g. satellite processors, etc. - and they cost massive amounts. Specialised Working Groups of SITA carry out intricate surveys of the equipment involved and make recommendatory reports. Such reports may also draw upon their previous experience with the pre-existing equipment in the SITA Network. Such surveys are usually conducted by the Operations Department of SITA and they may, depending on the nature of the equipment to be purchased, require studies extending over many months(21).

The Member Airlines which, due to the co-operative nature of SITA, own the transmission network, also make contributions to the technical operations of the Network. Their technical experts, in conjunction with the SITA experts, assist in the formulation of standards to be adhered to by the operators of the Network. This is done through the joint groups established for these purposes under various names such as "Network Security Working Group"(22) or "Network Efficiency and Route Availability Group"(23).

Being a non-profit institution, SITA is financed by its Member Airlines. They are required, under the Articles of Association of SITA, to make certain advances by way of Investment Certificates to meet the capital requirements of the organisation(24). The operational costs of the

SITA Network are covered by apportionment of all expenses amongst the Member Airlines, based on the use of the transmission services.

When SITA was exclusively dealing with Type B traffic, the criterion for calculating the costs was based on the "routing" of a message, i.e. the path on which a message travelled from its sender to the addressee. This criterion, however, had two important defects in it, namely(25):-

(1) If the routing of a message was extended due to a fault in the SITA Network (thereby causing inconvenience and hardship to the consumers), it was unjust to charge more for that message.

(2) Since the routings of messages could not be predicted in advance, the bills were made in retrospect. Therefore, SITA encountered a great deal of difficulty in devising any a priori uniformed system of charges; this meant that neither the Member Airlines nor SITA could plan in advance.

Before the current Cost Sharing Scheme was introduced in 1978, this system of charges was out of date as it was more or less unaltered since its introduction at the time of SITA's creation in 1949(26). Under the 1978 Cost Sharing Scheme, a user airline is required to pay for Type B messages (telegrams) at a rate of "per message", while the charges for Type A messages are calculated at a rate for "per million" characters transmitted over SITA facilities(27). The Financial Director of SITA, who was responsible for these studies being conducted for devising this scheme, said that it reflected "the optimum compromise between equity and simplicity that can be practically achieved"(28). The new cost sharing scheme, duly implemented on 1st January 1978, makes distinction between the "connection" and "transmission" aspects and endeavours to charge as equitably as possible on the basis of the service to the consumers, rather than on the criterion of the "actual utilisation" of the Network in a simple and administratively convenient manner, as was the case before 1978. Under this scheme, costs for the impending year are anticipated, and, after including a safety margin in favour of SITA, the charges are fixed for the following year. If there is any over-recovery then it is carried forward and recredited to the Member Airlines. For example, after taking into account the costs related to in-house development and the administration and operation of the Network, the net over-recovery for redistribution to the Member Airlines, in 1982, was US $3.2 million; while the total Network Cost for 1982 (converted every month from the local currency of the SITA Switching Centres and other offices into US$) was $96.8 million(29).

The costs of SITA, and therefore the participation of Member Airlines in bearing the expenses, fluctuate because many factors of international economy are not stable. Being registered in Belgium, SITA formulates its accounts in Belgian francs; however, due to its international coverage, the expenditure is incurred by it in a variety of currencies. The same situation occurs when payments are made by the airlines located in various parts of the world. The changes in the rates of exchange of currencies is a big factor in the volatility of the system of SITA costs and expenses. In 1982, the costs of SITA were influenced by the rise in the US dollar - 26 per cent appreciation against the Belgian franc(30).

In 198[illegible], SITA invested $1[illegible].5 million for the extension of its Centres, including initial costs of a new data processing facility in London(31). Investments are necessary because the SITA services are required more and more by its members. It is, for instance, expected that Type A traffic will soon be three times more than in 1981(32). To meet bigger needs, SITA has been planning on a five-yearly basis. Plans are made for a period of five years and they are updated every year. The 1983-1987 five-year plan envisaged a great deal of investment in the Advanced Network (AN); SITA has been spending a substantial amount of money on the projects which will, eventually, complete the AN in the mid-1980s. The sections of AN which have already been completed have enabled SITA in the recent years to meet the increasing demands and, when operational, the SITA Network will have enormous capacity for transmission of information, along with an ability to offer more diverse services(33).

Like any other co-operative, the capital of SITA is divided amongst its Member Airlines(34). The share holding of a particular airline is determined with reference to the proportion of expense shared by that airline in the preceding year. The airlines supervise the affairs of the SITA Network mainly through two institutions - the General Assembly and the Board of Directors.

Every member is represented at the General Assembly which meets at least once a year, usually in Brussels, in May(35). Extraordinary Sessions of the General Assembly may be called in certain emergency circumstances. More immediate supervision is provided by the Board of Directors which has twenty five members; eighteen of these members are appointed by the largest share holding Member Airlines, while the other seven Directors are appointed by the nomination of groups of airlines, holding collectively fifty or more SITA capital shares(30). The Directors are nominated in and appointed by the General Assembly. The General Assembly also appoints a Chairman and two Vice Chairmen who are appointed from the twenty five Directors.

Under the Articles of Association of SITA, the Board of Directors is required to meet at least four times a year. Extraordinary Meetings of the Board may be convened in certain circumstances which are explained in the body of this thesis. The Board is responsible for the formulation of policies for SITA. It reviews planning, financial, operational and administrative requirements of SITA and gives its approval to the SITA management for carrying them out.

The Board is responsible for appointing a Director General who is the chief administrative officer of SITA. The Board has discharged this duty only twice in the entire history of SITA - once for the appointment of the first General Manager (as the office of Director General was then known), J. H. Monniot; and in 1976, when the current Director General, L. J. Lalanne, took office. The Director General is a full-time officer and is responsible for day-to-day business of the organisation of SITA. He is accountable to the Board.

Many of the decisions of the Board require the ratification of the General Assembly. The Board is also responsible for the preparation of detailed accounts for submission to the General Assembly which considers them and gives its approval(37). The General Assembly appoints an Auditor every year who audits the financial affairs of SITA and makes a report to the next General Assembly(38). This audit is a mandatory requirement of the Belgian Law, under which SITA is incorporated.

When CRT terminals became available in 1970, the SITA Network started to provide its users with the facility of communications between their offices and their seats reservations systems. Before that, Type B messages were sent and responded to by teleprinters. Some of the SITA Member Airlines did not have seats reservations systems of their own. Therefore, they could not take advantage of the instantaneous inquiry/response service offered by CRT terminals.

Eastern Airlines, which was one of the very few airlines possessing a seats reservations system immediately after their invention in the late 1950s, was the first to "share", in 1962, its reservations system with other US regional carriers(39). Since the usage of the automatic reservations system by the big airlines was based on commercial expediency - excess capacity in the system and the business coming from the connecting flights provided by the regional carriers - some major carriers refused to share their systems with small airlines. It inspired the small carriers to build a "shared reservations system" in Atlanta, Georgia. In 1976, SITA acquired the Atlanta System, naming it "Gabriel Reservation System".

This system is used by some of the Member Airlines of SITA which either do not have their own reservations systems, or they find the Gabriel Reservation System convenient for use in conjunction with their own systems. Therefore, since 1st January 1976, when the GABRIEL Reservation System was acquired, SITA has been providing data processing services, in addition to merely acting as a transmission network. In the year ending on 31st December 1982, twenty-eight SITA Member Airlines were using the Gabriel Reservation System and, in that year, twelve million passengers were boarded through the system(40).

SITA has, in recent years, expanded and modified the Gabriel Reservation System. In October 1982, a modern version of the system became operational in a new 30000 square feet facility, which was jointly inaugurated by the Governor of Georgia and the Director General of SITA in October 1981.

The more sophisticated computers of Gabriel II (as it has been christened) is not only able to handle a larger volume of seats reservations, but also the new system is able to house a number of diversified services which have either been introduced or are planned to be introduced in the near future by SITA. Credit card authorisation, Departure Control System (DEPCON), Meteorological Services (METEO), Fare Quote and Tariff Reference Service and some other services are located in and operated from this system. Other services - Aeronautical Data Base (AERODAT), Shared Cargo Service, Flight Planning Service, etc. - are (or will be) operated from the SITA Data Processing Centre, recently established in Isleworth in the suburbs of London. The diversified services are numerous and complex in description; therefore, Chapter 4 of the thesis has been devoted to them.

Other than the necessary executive, financial, planning and managerial staff, the SITA personnel mainly consists of telecommunications experts and operators of a variety of advanced telecommunications equipment. When, in the mid-1970s, the geographical and functional scope of SITA services broadened, the recruitment of new staff and acquisition of new equipment presented SITA with the problems of arming its staff with appropriate skills for the operation of the modern equipment. To train the newly recruited employees and to familiarise those who were already in employment with the modern equipment, SITA introduced its own Training Programme. The training courses were organised in "modules", so that training can be provided to members of staff without substantially affecting the current operations of SITA.

In recent years, the Training Programme of SITA has proved attractive to its Member Airlines and they have been requesting the organisation to train their own employees in the operation of office terminals and other telecommunications equipment. The commitments of this Programme, both to the SITA staff and the employees of Member Airlines, have been increasing every year. This growth may be illustrated by comparing the statistics of the two recent years(41):-

Item	1981	1982
Total Trainee Hours provided to the staff of SITA and Member Airlines	34030	50500
Number of Member Airlines which benefited from Training	64	78

Where it is administratively convenient, or necessary due to the urgency of the situation, training may be offered in all regions of SITA, concurrently. An example of such a diversified field training programme is the training of the staff of scores of airlines in the efficient use of the BAGTRAC system - an automated baggage tracing system. In 1981, training for this supplementary service of SITA was organised in Paris, Cairo, Madrid, Los Angeles, Nairobi, Zurich, Geneva and Dakar(42). The extensive training for the use of this system continued and in 1982, SITA Training Team provided 4300 training hours relating to it(43).

SITA Training Team meets every year in one of the Regions and discusses a report on the training activities of the preceding year, and makes co-ordinated plans for the following year(44). The Regional Managers meet with the Head Office staff, usually in Paris. The agenda for such a meeting between the Central and Regional Administration is mutually devised. Along with the issues relating to quality of SITA services, short-term and medium-term financial commitments, maintenance services, relations between the Management and Member Airlines and other matters of topical interest, the Regional Managements discuss their training requirements and offer proposals for co-ordination of this Programme(45).

The carriers of the developed countries, being well financed and developed through their presence in the air transport industry from its beginnings, have evolved large international operations. Accordingly, the consumption of SITA services by them is high, and this entitles them to participate in the financial arrangements of SITA more extensively than the airlines of the developing countries. Their high share holdings enable them to have substantial influence in the representative institutions of SITA - the General Assembly and the Board of Directors.

However, the Western airlines do not hesitate to be led by the "non-profit" and "co-operative" objectives of the organisation of SITA. Plans for development of the SITA Network in the developing parts of the world have not been resisted, insofar as the records accessible to this author are concerned, by airlines of the developed countries. The specific characteristics of the African environment, mainly the lack of local transmission facilities within Africa and the vastness of the Region to be covered in relation to the traffic to be handled, have been responsible for a lesser penetration of the modernisation programme of the SITA Network. Consequently, "current costs incurred in the Region are proportionately higher than in other regions, although the service quality observed in some African locations is below the standards observed in other regions"(46).

In view of this situation, SITA has studied certain solutions to cope with the constraints posed by the African environment. It has formulated a "Network Development Plan" for the African Region which makes the following special provisions(47):-

(1) The Administration plans to upgrade the intra-African telecommunications facilities over the next few years.

(2) The plans of African carriers to automate their reservations systems will create more demand for SITA Network for Type A traffic, when these systems will work in conjunction with the systems of other carriers outside Africa; SITA Network Development Plan will develop facilities in, and for (located outside the region) the African Region to meet this extra demand.

SITA envisages the development of a comprehensive transmission network in Africa, implementation of which will be accomplished in three phases. After the achievement of this plan the African carriers will be able to utilise the most advanced range of SITA systems. SITA also intends to install radio links to connect user airlines in other towns with the SITA centres in city centres or at airports, where the local transmission facilities are not satisfactory(48).

RELATIONS WITH OTHER INTERNATIONAL INSTITUTIONS

In the attainment of its "Objectives", SITA is required to co-operate with(49):-

(a) the International Telecommunication Union;

(b) the International Civil Aviation Organisation;

(c) the International Air Transport Association; and

(d) other governmental, international or national bodies, and other international organisations of airlines.

SITA is required to co-operate with the above bodies in all matters "having a bearing on telecommunication and data processing and transmission between air transport enterprises"(50). In recent years, SITA has been co-operating with international institutions and, in some cases, such co-operation has brought about material results.

On 14th August 1979, at a meeting of the IATA Passenger and Baggage Sub-Committee in Singapore, SITA's proposal was selected for the supply of a Worldwide Primary Baggage Tracing system (BAGTRAC)(51). Through this "primary" system, the investigations were to be made by means of the computers and network facilities of SITA to trace a lost baggage in the first three or four days after the loss. In other words, the investigative machinery of SITA will remain in operation for the first three or four days and, thereafter, if the baggage is not traced by the primary means, the matter will be left to the secondary means of tracing which are possessed by some airlines.

This joint venture of SITA and IATA - BAGTRAC - completed its third year of operations successfully on 31st December 1982. Eighty-seven airlines were using the service, seventy-six of them actively; while eleven other airlines were scheduled to join BAGTRAC in the course of 1983(52). Under the system, not only are the reports of lost baggage received by the SITA computers, but also reports of found baggage are made to the system by the user airlines.

While SITA levies charges for the reports of the "lost" baggage, no charge is incurred for reporting found baggage - the latter being the key to the tracing function. Whenever a report of lost baggage is received, it is compared with the reports of the found baggage in the computer; likewise, on receipt of a report of found baggage, a check is made to ascertain whether its particulars tally with any of the requests received for tracing. The more global are the reports in either category, the more likely it is that a passenger will have his lost baggage returned.

Another joint venture has been entered into by IATA with SITA to complement the BAGTRAC System. A Baggage Handling and Management System (BAHAMAS) will provide complete information about the baggage storage and handling, as well as details of management statistics on baggage handling performance(53). This service was expected to be operational within the facilities of SITA in 1984.

The collection, analysis and distribution of airlines' traffic, capacity, revenue and cost information (past, present and anticipated) constitute one of IATA's essential functions. The scope and significance of this activity has been increasing in recent years and this trend can be expected to continue. So far, data collections of this kind have been managed by individual systems and, in some cases, it has been organised by manual methods. SITA and IATA are now extending their collaboration to provide a comprehensive system to handle the information of this kind through a joint project "IATA Statistical Information System" (ISIS)(54). The overall policy and administrative supervision will be the responsibility of IATA, while SITA will provide the technical expertise and the data processing and transmission facilities of its network. ISIS was expected to be operational in 1984(55). The following benefits will accrue from it, both to the organisation of IATA and the community of airlines:-

(a) By providing direct user access to a comprehensive data base, ISIS will supply faster, more accurate statistical information.

(b) Centralising all data collections in a common system will eliminate unnecessary duplication of effort by producing input to industry data collections, and individual member's workload will be reduced.

(c) ISIS will make the task of the IATA Secretariat more cost-effective and contribute to the achievement of its work priorities.

(d) The system will provide the necessary infrastructure for a rational and economical development of data collections for the air transport industry, both now and in the future.

At the request of IATA, SITA began, in 1982, to transmit warning bulletins, issued by the Federal Aviation Agency (FAA) of the United States, about the existence and location of the clouds of volcanic dust(56). This innovation was prompted due to several incidents caused by the aircraft flying through clouds of volcanic origins. At the beginning of 1983, fifteen airlines had subscribed to the receipt of these Warning Bulletins.

While one of the Consultative Committees of ITU (CCIR) deals with the regulation of radio transmission, the other Committee (CCITT) deals with the telephone and telegraphy matters. Even though, due to their "Consultative Status", the recommendations produced by the two Committees are not binding, they are applied "most carefully"(57) by states and private parties such as manufacturers of telecommunications equipment. The technical and financial recommendations of CCITT on standard interfaces, transmission procedures, tariffs etc., affect SITA and are followed by it "most closely"(58).

Indeed, Article 4 of the ITU Telegraph Regulations is the international legal basis for lease of circuits by entities like SITA. This Article governs the terms of authorisation to the post, telegraph and telephone (PTT) administrations of the ITU Member States to rent circuits to private users(59).

Until recently, SITA has been participating (as an observer) in the proceedings of CCITT, as a component of the IATA Delegation to it(60). In 1980, the ITU realised the potential ability of SITA to make contributions to its proceedings and recognised it as an international organisation with a capacity to participate in the Working Group of CCITT in its own right(61).

Collection, collation and circulation of information, gathered from various parts of the world, in printed form to the would-be users by post is a very expensive process. In an international conference convened by the World Tourism Organisation (WTO), from 27th September to 10th October 1980 in Manilla, SITA demonstrated successfully the operation of a remote data base for statistical information on tourism which was ordinarily mailed by the WTO to the various parts of the world(62).

This demonstration proved that comprehensive statistical data relating to world tourism can be accessed via the global SITA Transmission Network, by the relatively cheap terminals. It also showed that the data information could be made accessible by the SITA Network, wherever it was located, and in whichever part of the world the person wishing to retrieve the information was present. This system was also preferable because it did not suffer the loss of topicality and relevancy, which might occur through the processes of publication and circulation.

The Type A traffic of SITA consists of computer data, to and from the seats reservations systems of various Member Airlines; and the flow of data in respect of other services provided by SITA over its transmission network. Since personal privacy, economic prosperity and national security may be jeopardised by flow of certain types of sensitive data, many nations are wary of the transport of data across their borders. Whatever steps are taken by the national governments, they are indiscriminate in their application. Of course, data travels on the transmission lines at a high speed, and (whatever speed it may be travelling at) it is not intelligible in the ordinary sense of the word, and this presents governments with enormous problems to control its content.

The indiscriminate applicability of national legislation can jeopardise the whole operations of SITA. Therefore, SITA is very much concerned with the subject of any regulatory constraint upon the flow of data across the national borders. The Organisation for Economic Co-operation and Development has been trying to formulate some definite rules which can, on one hand, quell the fears of the nations, while on the other hand do not obstruct the operation of ordinary international commerce through over-protectiveness.

The Organisation for Economic Co-operation and Development (OECD) organised a symposium in Vienna on 20th-23rd September 1977 and it was attended by 250 experts from seventeen nations representing governmental institutions, business associations, corporate entities and international organisations such as International Telecommunication Union, the International Criminal Police Organisation etc.(63). SITA's representative, D. Kroneberg, was one of those who attended the meeting. He presented a ten-minute expose to the symposium, outlining the data handled by SITA in the course of its activities.

Some guidelines have now been issued by the OECD, and SITA tries to comply with them in the conduct of its telecommunications and data processing activities(64). In 1982, as it had been the case in the previous few years, SITA monitored, globally, various national legislation to ensure that it did not infringe any law in this regard.

A symposium was jointly organised by ICAO and WMO from 14th April to 17th May 1982 in Montreal, dealing with telecommunications and meteorological co-ordination in international civil aviation(65). Two hundred and eighty-five experts representing eighty-four states and ten international organisations examined questions relating to ICAO/AFTN and MET services for air transportation, to identify methods of simplification and modernisation of telecommunications, installations and aeronautical weather forecasting systems. SITA was invited, for the first time, as an observer to this symposium(66).

An outstanding example of co-operation among IATA, SITA and ICAO may be found in the technical assistance provided by SITA during the haj pilgrimage period of September-November 1981. Co-ordinating with these institutions and with the aeronautical authorities of Congo, Sudan and Saudi Arabia, SITA provided operational and technical assistance in order to ensure adequate communications between West and Central Africa through Khartoum to Saudi Arabia(67). Interconnections between SITA centres and air traffic control centres of those locations, including the provision by SITA of UHF circuit back-up equipment, were implemented(68). Some 3500 air navigation control messages were handled by SITA, covering some 1500 pilgrimage flights from West Africa to Jeddah and vice versa(69). During a meeting in Paris, on 25 November 1981, the representatives of ICAO and IATA expressed their "highest praise for SITA for its efficient collaboration"(70).

Since its inception in 1949, SITA has developed a unique comprehensive aeronautical telecommunications system. Although it is based on the transmission circuits leased to it by various national post, telegraph and telephone administrations or by private enterprises running these services in some countries, the Network of SITA is distinct and independent, and is dedicated to the provision of specific services required by its Member Airlines.

From a modest beginning, SITA has developed into a significant contributor to international civil aviation. With the global coverage provided by the 174 switching centres, located in 154 countries, it performs an indispensable function in the smooth operation of international air services(71).

CHAPTER 2

EVOLUTION OF SITA NETWORK

(The Formative Years - 1949-1964)

A. O. L. Strykers who died in 1965 was supposedly the first man to think of the "shared" use of the telecommunications services for the air transport industry. Originally working for the Civil Aviation Department of the Netherlands, he became interested in airborne telecommunications and soon after the Second World War he joined K.L.M. in which he was made the Head of Communications Division(1). During the 1939-1945 period the aircraft went through modernisation after modernisation and at the end of this period it emerged as a more efficient and technically sound machine which was capable of undertaking flights of much longer distances than it was possible to achieve before 1939. Thousands of military transport aircraft were easily convertible into civil airliners. These developments led to a significant improvement in transborder air transport. Therefore, Mr Strykers, along with his colleagues from other airlines, was inspired to conceive the basic idea of SITA as early as 1947.

It was a rather grey and cold afternoon in Brussels on 23 February 1949 when a number of people assembled in the office of Paul Muller-Vanisterbeek, Notary, and laid the foundation of SITA(2). This assembly included the following representatives of airlines which constituted the first membership of SITA:-

(1) K. Stoesen - Det Norske Luftfartselskap A/S

(2) H. Ortendal - AB Aerotransport

(3) U. Jensen - Det Danske Luftfartselskap A/S

(4) V. Wolfson - British European Airways Corporation, British Overseas Airways Corporation and British South American Airways Corporation

(5) S. Strykers - Koninklijke Luchtvart Maatschappij, N.V.

(6) M. Keller - Swissair, Societe Anonyme Suisse pour la Navigation Aerienne

(7) R. Gratze - Transcontinental and Western Air Inc.

(8) E. Bourdon - Compagnie Nationale Air France

(9) P. Mortehan - Societe Anonyme Belge D Exploitation de la Navigation Aerienne, SABENA

When SITA started its operations, most of the modern means of telecommunications such as the coaxial cable, the amplifier, the teleprinter, etc., were in existence. However, this does not mean that they were available throughout the world, since only a few countries could finance the relevant installations(3). As a matter of fact, many of the SITA facilities of early days used morse key operation which only disappeared gradually over the years. During the relatively small span of the history of SITA some more innovations emerged on the scene of telecommunications, including the transistor, the submarine telephone cable and telecommuncation satellites. In addition, based on the achievements of past techniques, the digital computer was born and this in turn led to "the most striking event in the development of SITA"(4).

When computers became the most effective tools in telecommunications switching and when people started to link computers by telecommunication means, SITA's network experienced a great expansion and gained more sophistication. The "store-and-forward" technique of the routing of the telegrams throughout the network was most probably invented by the military and found a wider application in dedicated networks operated, for example, by embassies, police and airlines; so it was only natural that SITA should use this technique when connecting airline networks(5). On a cost-sharing basis, the user airlines in the early years of SITA jointly used the communication circuits made available to them through the pooling organisation of SITA. With the growing number of users, more and more circuits were made available and soon formed a global network. This network developed with a considerable speed and required, after only a few years of existence, the introduction of automatic devices, at least in the larger switching centres.

After 15 years operation in 1964, SITA entered the modern world in a true sense when it went into computerisation. While developing the original SITA network (which connected only teleprinters and used the same machinery for "store-and-forward" operation) into a data network, SITA pioneered on a worldwide basis what is now called "packet switching". The rapid advancement, detailed below, of aeronautical telecommunication services provided by SITA, in view of its humble origins, is indeed very impressive.

The first switching centre of SITA on Avenue Wagram, Paris, in 1949 was operated and manned by Air France. At least in the first two years of its life, SITA was co-ordinating the circuits of its member airlines to be used by them in a most effective manner. SITA s function was merely an administrative one, acting as a sort of a clearing house on behalf of its members. Records of consumption of services by each member were kept and costs were accordingly apportioned.

At the time of creation, 23rd February 1949, the capital of SITA amounted to 190000 Belgian francs(6). This was divided into nominal shares of 200 Belgian francs each, and subscribed to as follows(7):-

Det Norske luftfartselskap A/S 50

AB Aerotransport 50

Det Danske Leftfartselskap A/S 50

British European Airways Corporation 90

British Overseas Airways Corporation 45

British South American Airways Corporation 15

Koninklijke Luchtvart Maatschappij, N.V. 150

Swissair, Societe Anonyme Suisse pour la Navigation Aerienne 50

Transcontinental and Western Air Inc. .. 150

Compagnie Nationale Air France 150

Societe Anonyme Belge D Exploitation de la Navigation Aerienne, SABENA 150

TOTAL capital shares in 1949 950

Since many facilities used in these early days formed a part of the Aeronautical Fixed Telecommunications Network (AFTN), SITA applied four-letter city codes still in use within AFTN, and only later introduced the three-letter city identifiers. This was the result of the complaints by the main users of reservation services of SITA who had to use a four-letter code in the addresses, while applying their three-letter code in the texts.

During the first five years, switching centres were connected or opened (or taken over from airline managements) in the following locations: AMS, PAR, BRU, LON, THR, MAD, ROM, NCE, FRA, BCN, BEY, CAI, LIS, DUS, NUC, LBG, and ABD.

By the end of 1953 the original membership of eleven had increased to twenty airlines. Mr. Georges A. Monniot became the first General Manager of SITA and saw its extraordinary growth over more than a quarter of a century. During the first five years (1949-1953) the digital computers had emerged on the industrial scene but the aviation industry was not yet ready to exploit them in their communication functions. Teleprinters and the Morse Code were used in all such functions which were co-ordinated by SITA, and the apportionment of expenditure was measured in the words transmitted each month.

Messages handled by SITA appeared on a punch paper tape and it was not unusual for the staff to speak about the length of a message in terms of length of punch paper, rather than the number of words, since a standard reperforator punched four characters per centimetre.

By the end of the first decade of existence (1958) the membership of SITA rose to sixty-eight airlines and further expansion in the network was experienced to included the following new switching centres:-

ALG, ALY, ANK, ATH, BER, BUE, CAS, CPH, BAN, HAJ, MRS, NAP, NUE, ORY, RIO, STO, STR, TUN and BIE.

In the 1954-1958 period it was realised that the automation of operations, at least in the bigger centres, was inevitable because the growing traffic volumes and the increase in the connected lines were becoming unmanageable by manual operations. At that time three European manufacturers were able to supply what may now be called "second generation switching devices".

The first semi-automatic centre was opened by SITA in 1958 near Gard du Nord in Paris. In this centre each operator s position was equipped with a number of received reperforators (handling in-coming communications) and mutiple transmitters. By using a selection key he could "switch" to any of the out-going circuits. Built-in core memories of the transmitters enabled the operator to retain a message during the period when a required out-going circuit was occupied. As soon as the circuit became available, the message was transmitted. This procedure helped to minimise the delay in transmission. Later an improved technology was introduced to the London centre, where incoming messages were received right away in the core memory, rather than on an individual reperforator, and an operator was presented only with the address and the original line of transmission on a page printer; thus further facilitating the work of the operator and enabling him to use the network more efficaciously.

At the time of the installation of this modern equipment, the London centre was being run on behalf of SITA by the British European Airways Corporation. The Amsterdam switching centre was also considerably improved but the technology used was different. At this centre the function of temporary storage of messages was performed by loops of magnetic tapes. However, the reception and transmission functions were performed by reperforators and transmitters respectively.

The three systems installed at Paris, London and Amsterdam, although bound by immutable limitations of transmission speed of a much lower capacity, could cope with increased traffic volumes for a good number of years, until the traffic exceeded their handling potential. In view of a tremendous demand in the services of SITA, as early as 1958, SITA had realised that new ways had to be found to satisfy the requirements of the users of the network. To assist SITA in its expansion, an important development had already taken place in 1956 when the first submarine Transatlantic Telephone Cable was laid. This cable provided a capability of "digital transmission", a method which enables the users to transmit many times more condensed information than can ever be transmitted in ordinary word form in a telephone conversation.

During 1959-1963 SITA opened twenty-six new switching centres in different parts of the world, particularly in the Far East and Africa. It was realised that expansion was an on-going and dynamic problem and, therefore, in 1959 a new unit at the Head Office, exclusively dealing with planning, was created. To plan for the growing demand for its services, SITA accumulated all available information about the requirements of its member airlines and their expansion plans, as well as about the developing market for electronic equipment throughout the world.

In October 1963 SITA organised a symposium in Brussels in which airline representatives, experts of Post, Telegraph and Telephone Administrations, engineers and representatives of manufacturers congregated to discuss the development of the telecommunications and techniques of data processing operations. It was during this period that terms like "data communications" and "computer network" were coined, and it can be stated that SITA was one of the first organisations to anticipate the forthcoming measure of telecommunications and data processing. The hosting of this symposium in Brussels manifests the progressive approach taken by SITA to meet its commitments effectively.

In the early 1960 s many airlines had introduced automatic seats reservations systems. These were bound to have a profound effect on the future configuration of the SITA Network. It was evident that in the large centres the teleprinters had to give way to digital computers which had the necessary transmission capacity and flexibility to be adjusted to meet future needs. Digital computers were also attractive because they could be connected by a variety of terminals and seat processors. Therefore, through a number of Working Groups consituted by the airline experts and with the help of specialists from the manufacturers, SITA started to build the necessary "interfaces" for computer telecommuncations.

In addition to deal with the increasing volume of traffic, the automation of the network was also desirable for the operating convenience of the users. It was necessary to provide a "user-independent" system which is the ultimate technological goal of any network. In a "user-independent" system, the user is relieved of the charge of most of the technical sophistications and connection-making role. He is able to send and receive messages, in an ideal case, by pressing of a button. In the first fifteen years, SITA had made substantial progress in this direction and users of its partially automated network had grown by more than eight times - from eleven to ninety-two by the end of 1963.

Chapter 3

EVOLUTION OF SITA NETWORK

(The Advanced Years 1965-1982)

During the five years ending on 31st December 1968, SITA mainly concentrated on the development of transmission protocols (technical procedures of transmission to be used uniformly by all users) and the evaluation of purposive equipment. In the hardware field, not only computers for the envisaged "High Level System" were examined but also on smaller units serving as "concentrators" which were baptised as "satellite processors".

Devices for data transmission on telephone lines, later to be known by the telecommunications industry as "modems", were also considered for future use. The transmission protocols of SITA, to a certain degree, were of a unique nature since they were based on the idea of transporting a mixture of teleprinter messages and data blocks on the same telephone circuits. It was economically unsound to develop a comprehensive computerised telecommunications network, while maintaining the present teleprinter facilities for the air transport services provided by the member airlines. Therefore, the transition period between the manually or semi-automatically operated centres and the new generation of switching computers caused very subtle problems of organisation. To adapt one type of existing equipment to modern systems, the bridging devices of "interface" were used.

In 1965 Earlybird, the first of the Intelsat Telecommunications Satellite Series, was launched and positioned over the Atlantic Ocean. But it was a few years later when the structure of SITA was affected by the Satellites of this type.

In May 1966 Frankfurt switching centre was computerised. Rome, New York, Amsterdam and London Centres also benefited from the first computer applications of telecommunications and data processing. During the five years ending in 1968 SITA opened, mainly in the Middle East and African zones, twenty-four new switching centres and by the end of this period its membership had reached 135 mark(1).

In 1969 the Paris Switching Centre moved to the newly acquired SITA premises in Neuilly-sur-Seine which became one of the most powerful centres in the entire network(2). In the same year, the first portion of the High Level System was inaugurated, becoming first operational in the centres of Paris, London and New York. The High Level System was expanded in 1970 to Frankfurt (January), Rome (March), Madrid (May), Amsterdam (June) and Brussels (September), and in 1971 the first four satellite processors were implemented in London, Milan, Rome and Stockholm(3).

Towards the end of 1971 SITA was able to connect the first group of BEA (British European Airways) terminals and they transmitted enquiries from Italy to the BEACON Reservations System at Cromwell Road, Kensington, London. The computer responses were received in Rome, Venice and Milan within a few seconds, highlighting the validity of the concept of "High

Level System"(4). The System was further extended and at the end of 1972, 178 reservations display terminals were connected to the satellite processors which were already programmed to do the same job for some other kinds of reservations systems(5).

An important event which took place in 1970 was the convening of the second symposium by SITA in Paris. Almost 500 experts of the air transport industry, manufacturers, representatives of Post, Telegraph and Telephone Administrations of various nations and other business associates of SITA participated in it. The symposium shed light on the growing role of SITA as a medium of exchange of information, not only in the field of telecommunications but also that of human communication(6).

In 1972 SITA served a total of 6793 airline offices scattered all over the world. This total represented the directly connected offices of the airlines equipped by teleprinters or reservation agents sets; plus those locations which were reached by the SITA Network through the public utilities or other means like concentrators, etc. A "direct" connection in this context means a permanent physical connection with the SITA Network by a telecommunication line. The alternative method to this is known as the "Local Delivery Circuit", whereby traffic is indirectly channelled to the consumer airline via domestic circuits.

At the end of 1972, a total of 2604 airline offices, both in cities and at airports, were connected "directly" to various switching centres of SITA. Making use of the public switching centres such as telex. in

1972 SITA served approximately 2700 airline offices with which it had no "direct" connection.

In 1972 the switching centres of the network were interlinked with each other by 245 shared telecommunications circuits. Amongst these were 213 teleprinter circuits, operated either on fifty or seventy-five bauds transmission speeds, using cable facilities, radio links or telecommunications satellite systems. These were not only serving the intercontinental liaison circuits (e.g. New York-Hong Kong) but also regions such as South America (e.g. Buenos Aires-Rio de Janeiro) and the Middle East (e.g. Beirut-Bahrain).

To improve both the technical and economic performance, in 1972 SITA closed twenty-five shared telegraph circuits and added thirty five new circuits to its network. Closure of circuits was necessary to provide room for computerisation, while the opening of new telegraph circuits was, probably, necessitated to meet the requirements of new members which had insufficient technical resources, or their volume of traffic did not justify heavy investment in the modern equipment of greater capacity. Also in 1972, ten telephone circuits within the High Level System were opened or modernised to interlink the newly introduced equipment - satellite processors - on an improved operating speed of 400 bits per second. At that time satellite processors existed in the computerised centres of Athens, Barcelona, Berlin, Dusseldorf, Geneva, London, Madrid, Milan, Munich, Nice, Palma, Paris, Rome, Stockholm, Tel Aviv and Zurich.

The satellite processors in Madrid, London, Athens and Rome were already in operation and the remaining twelve satellite processors in other centres were cut-over (i.e. made fully functional) in 1972. This was an outcome of "an enormous effort" of SITA personnel and was categorised by the General Manager as "one of the major achievements" of the Society in 1972. In some centres, to improve productivity further, the satellite processors replaced the pre-existing electronic multiplexing equipment of the UNIVAC type, while in other locations they led to the automation of former manual centres to economise through reduction of personnel. The 6 manual centres which were transformed into the satellite processing switching centres in 1972 were Nice, Barcelona, Geneva, Zurich, Tel Aviv and Palma. The auxiliary installations of the High Level System, to which satellite processors were connected, were located in 1972 in Amsterdam, Brussels, Frankfurt, London, Madrid, New York, Paris and Rome. These were in addition to the centre of Hong Kong which at that time was being operated in low level mode.

Despite the details of the above automated centres, it should not be overlooked that in 1972 most of the SITA Network was still functioning through manual centres. At the end of 1972 125 centres were being operated manually. During the year of 1972, as explained above, six centres were automated. The manual centre of Santiago de Compostel was closed for seasonal reasons in April the same year. But the expansion of manual operation, where necessary, was not arrested and in 1972 more manual centres were opened at Rangoon Airport (Burma) and in Madras (India) and Seoul (Southern Korea).

SITA centres equipped with electronic multiplexing installations were much more efficient than the manual centres, but they were not as productive as the centres equipped with the satellite processors. In 1972 the nine centres of Cologne, Copenhagen, Hamburg II, Hanover, Luxembourg, Nuremberg, Stuttgart and Vienna were electronically multiplexing in the SITA Network.

The list of SITA switching centres was first organised in 1972 in a publication named as "Stations Directory". This Directory gives the names of the centres along with other details e.g. opening hours, etc..

In 1972 "Type A" traffic was in its infancy and the bulk of SITA business was to deal with "Type B" teleprinter messages. A total of 88.5 million teleprinter messages were received by SITA in 1972, and 138.6 million messages (telegrams) were delivered to the intended destinations; the latter figure is higher because sometimes delivery of a received message was requested to more than one address. On certain peak days such as in June a High Level Centre, e.g. at Paris, had to switch i.e. receive and deliver nearly 250000 telegrams in twenty four hours.

On the other hand, "Type A" traffic (instantaneous transmission through display units) exchanged between the travel agents and the airline reservations processor amounted to 12000 data messages in a typical peak day. This traffic was generated by the first group of 178 BEA reservations agents sets and the methods of quantification of this new type of traffic were not yet fully crystallised.

"Type A" traffic requires a transmission response time in the order of seconds to be of full use to travel agents. Obviously, a client waiting in a travel agent s office, or waiting on a telephone line, would like the confirmation of his reservation of seat as soon as possible. Therefore, prompt accessibility to the network must be an essential feature of an automated system. In 1972 SITA was able to provide a "response time" of three seconds(7).

The Board of Directors of SITA in 1972 established an "Executive Committee" which included the Chairman, Vice Chairman, the former Chairman and two other Directors of the Board co-opted by the current Chairman, plus the General Manager of SITA. The function of this Committe was to see that the growing number of decisions of the Board which were necessitated due to the rapid devlopment of the Society were effectively carried out. The Executive Committee expedited the examination of the functions and procedures of different pre-existing Committees, leading to the establishment of new terms of reference for their future planning operations.

Representation of member airlines on these administrative committees provided effective guidance for future plans. However, not every airline had an opportunity to participate in these functions. On request of several members in 1972 the Board of Directors instituted a "Technical Conference" to provide a forum of active participation for those members who were not represented on other Committees dealing with certain specialised aspects of SITA operations(8).

In line with the new definition of various levels of airline participation decided upon by the Board of Directors, in 1972 the internal structure of SITA was modified to better adapt it to the new orientations set forth by the Executive Committee of the Board. There was a redistribution of management responsibilities at the level of Deputies to the General Manager or Executive Managers which was designed to achieve better co-ordination and decentralisation of daily functions away from the Head Office to the Regional Delegates of different areas(9). As it was realised that any technical gap between the hardware people and the software people of telecommunications could result in inefficency, the reorganised set-up of SITA combined engineers, programmers and personnel skilled in operations of the network in one Technical Department. This Technical Department was given the responsibility for both network operations and network development, while a smaller group - Data Services Development - of the same nature was charged with the acquisition of new services.

The hitherto 20 per cent growth in the traffic handled by SITA declined to 10 per cent per annum in the early seventies which was due to the fact that not many new territoies were left to be explored by SITA. By the end of 1972 the Network consisted of 125 manual centres, sixteen satellite processors and nine computerised centres, and it had developed capability of providing connections to three different types of automatic reservations systems. On 31st December 1972 SITA had a staff of 1382 employees, including 154 working at the Head Office in

Paris(10). This staff was serving 167 Member and two Observer Airlines all over the world(11).

From 1967 when the first switching computer of SITA became operational until 1972 the traffic offered to and delivered by the SITA Network increased by 112.15 per cent. Due to mainly the fast expansion of the network, SITA experienced during this six year period an average increase of 9.5 per cent per annum in its operational costs. On the other hand, in 1967-1971 period the cost of an average telegram handled by SITA teleprinters went down by an average of 4.26 per cent annually, and remained stationary in 1972. It were the policies of SITA to automate its network which were responsible for the reduction in the cost of its service unit, even though during those years due to the monetary crisis and worldwide inflation costs were rising practically everywhere(12).

In the five year period of 1969-1973 SITA opened thirty five new switching centres mainly in the Asian Region and India, as well as in the Gulf Region and Eastern Europe. In this period thirty-nine new airlines joined the Society, increasing the membership from 135 to 174 users(13).

In 1972 SITA was still "inarticulate" in the language of data transmission through the media of data processing systems. However, during 1973 this - 25 -new technique became part of the every-day business of SITA. In 1974 hardly a day went by without high speed transmission connections, between computers and cathode ray tubes (CRT), being requested by the member airlines, and these were effected as swiftly as the connections between the manual teleprinters and the SITA Network. In 1973 an average increase of 14.4 per cent in the traffic handled by SITA was registered, while the cost per unit was reduced by 4.26 per cent, producing a turnover of 43,560,000 U.S. dollars. The General Manager of SITA reported to the SITA General Assembly of members in May 1974 that the Society was granted authorisation to establish a centre in Tokyo and that an agreement was signed with Malev Airlines to take over fully the centre in Budapest, Hungary. By the end of 1974 thirty ~~three~~ satellite processors were expected to be operational, serving 450 CRT terminals.

The Cost Sharing Scheme, which had been working satisfactorily for previous twenty five years and which was regarded as a 'performance in itself', was being reviewed in 1974 by the Board of Directors. Although it had not yet been able to formulate firm conclusions, the Board laid down the following Guidelines for this purpose:-

(1) SITA should retain its co-operative status and remain a non-profit making organisation.

(2) The Cost Sharing Scheme should be simple from the users' point of view. It should be easy to understand and should provide a basis on which to budget costs of communications.

(3) The Scheme should not unduly complicate the administration by SITA, and should not entail excessive administrative costs.

(4) The Scheme should be consistent with SITA's requirements for the optimisation of the network for the benefit of the community of airlines as a whole.

(5) The Scheme should provide for all types of traffic handled by SITA, each category being the subject of a charge adequately reflecting its specific nature.

(6) The cost to the users should be in "fair and equitable" relation to the services actually received by them

(7) The Scheme should be envisaged on a long-term and flexible basis.

On 23rd February 1974, SITA concluded its twenty-five years of existence and that year in May, during the Annual General Assembly, the General Manager highlighted the fact that "continuity" was an essential factor to ensure the maintenance of the quality of services and their provision on most economic rates, as well as the adaption without harmful delays of new transmission techniques to meet new requirements. This was no doubt a reference to the text of Art.4 of the SITA Articles of Association which had specified the life of the Society for thirty years beginning from February 1949. To preserve the continuity, the SITA General Assembly of 7th May 1974, five years before the end of the initial thirty years, passed a Resolution amending Art.4 to the effect that SITA will remain (of course subject to further extension of duration) in existence for another thirty years from that date until 6th

May 2004(14).

SITA Articles of Association, Art.27, which at present provides that up to eighteen Directors may be nominated by individual airlines, which at least possess twenty Capital Shares, required such nominating airlines in 1974 to hold at least fifty Shares. The airlines which possessed more than fifty Shares and whose nominees under this category were appointed to the SITA Board of Directors for 1974-1975 were as follows(15):-

(1) Air France

(2) Alitalia

(3) British Airways

(4) Deutsch Lufthansa

(5) Iberia

(6) KLM Royal Dutch Airlines

Up to the early 1970s, SITA had been providing a network of circuits leased by it from the post, telegraph and telephone authorities of various nations. There was no "information storage facility" under the control of SITA and its function was confined only to provide transmission facilities to, from and between seats reservations systems owned and operated by its individual member airlines. Since 1962 there was every technical appliance available to provide a "shared seats reservation system" for airlines which did not have facilities of that kind. However, such a shared facility was only provided by SITA on 5th January 1976, when it procured the Gabriel Seats Reservation System in Atlanta, Georgia, USA(16).

This shared system became very soon a major functional service of SITA. At the end of 1977, sixteen airlines were participating in this System and the number of passengers, for whom the seats reservations were effected through it, exceeded the 6.5 million mark(17). The success of the Gabriel Seats Reservations System later inspired the introduction of many other diversified services. The number of these new services and their functional importance have justified their detailed discussion in a separate Chapter in this Thesis(18).

The CRT terminals, which were first connected to the SITA Network in 1971, due to their efficiency and speed of access gained popularity with other airlines. The number of these terminals, of which there were only 178 in 1972(19), by the end of 1977, reached a total of 1985. These were connected to twenty-three different reservations systems via SITA Network(20).

Since an enquiry by a CRT terminal is responded to within three seconds and transactions are effected instantaneously, this traffic is referred to as "conversational" traffic and SITA categorises it as "Type A". On the other hand, the teletype messages handled by teleprinters is known as "conventional" traffic and SITA categorises it as "Type B" traffic.

The conventional traffic, which was the sole business of SITA until 1971, was overtaken by the conversational traffic due to an exponential growth in the latter. For the year 1977 SITA Network handled 445 million Type A (conversational) messages, as compared with 346 million Type B (conventional) messages(21). The growth was such that during peak periods certain SITA switching centres started to show an overload situation(22). In the words of the Chairman of SITA Board of Directors for 1976-77, this expansion was not a problem of "a declining business but instead, of how to master an exploding one"(23).

To amplify the transmission capacity of the network, the manufacturers, RAYTHEON, in accordance with the SITA specifications developed RDS500 improved satellite processor software for which was provided by the technicians of SITA. In addition to improving Frankfurt, Hong Kong and New York switching centres with more sophisticated equipment, in 1977 RDS500 duplicating systems were installed in the following Centres:-

(1) Johannesburg, April 1977

(2) Frankfurt I, April 1977

(3) Frankfurt II, August 1977

(4) Hong Kong, May 1977

(5) New York, June 1977

(6) Paris, July 1977

(7) Athens, October 1977

(8) Amsterdam, November 1977

Time division multiplexers (TDMs), which serve as concentrators to produce more capacity for teleprinter traffic, were installed in 1977 in the following switching centres(24):-

AFRICA - Abidjan and Dakar

CARIBBEAN - San Juan

EAST EUROPE - Belgrade and Budapest

BRITISH ISLES - London

FRANCE - Paris Orly

WEST GERMANY - Franfurt, Cologne, Hanover, Hamburg, Stuttgart and Munich

HONG KONG - Hong Kong

ICELAND - Reykjavik

SOUTH KOREA - Seoul

LUXEMBOURG - Luxembourg

MIDDLE EAST - Abadan, Tehran, Amman, Beirut and Kuwait

NORTH AMERICA - Chicago

SCANDINAVIA - Oslo and Stockholm

The transmission network of SITA in 1977 was serving 9936 airline offices all over the world(25) and, having regard to the traffic generated by individual regions, 85% of the network was being operated automatically, as indicated by the Table(26) below:-

DEGREES OF AUTOMISATION

OF SITA NETWORK IN 1977

Europe - 90%

Eastern Europe - 28.2%

Middle East I - 49.9% Middle East II - 67.6%

Far East - 97.5%

North Africa - 45.60%

Africa - 24.9%

South America - 41.1%

North America - 100%

WORLDWIDE - 851

In 1976-1977 work had already begun on the "Advanced Network" envisaged to be operational in the early eighties. The first step towards the realisation of this huge project - Network Control System - was the subject of effective planning(27).

Growing automation of the network led to more and more importance being placed on training of appropriate personnel both at the Regions and the Head Office. In 1977, studies were conducted to improve efficient co-ordination in all aspects between different Regions and the centralised departments at the Head Office. To reinforce this co-ordination, the "most important feature" of 1977 was the complete re-organisation of the Head Office and the definition of the tasks to be attributed to new departments and sections(28). In consequence of studies conducted by a special committee of the users and the SITA staff, in accordance with the principles outlined before in this Chapter, a new Cost Sharing Scheme was finalised and presented to the Board of Directors. On 25th August 1977, the Board of Directors held a special meeting during which this Scheme was adopted, along with the measures to continually supervise the results in order to guarantee "equity"(29). On 1st Januay 1978, this Scheme became an effective criterion for the apportionment of SITA costs amongst user's of the its network(30).

The Annual Accounts of SITA for 1977, in view of the investment necessary to modernise the transmission facilities during that year, disclose that the fixed assets of SITA rose from BFR732 million to BFR978 million(31). 1480 Capital Shares of SITA were held on 31st December 1977 by its 215 Member Airlines(32).

On 1st June 1977 SITA acquired one of its important switching centres in Amsterdam which was hitherto operated and administered by KLM(33). To ensure active and comprehensive participation, as well as identifying specific problems of a particular region, SITA organised Regional Conferences during October 1977 and February 1978 in Kuwait, Honolulu and Abidjan(34). This tradition is still continuing.

To enable the managements of Member Airlines, as well as the Management of SITA, to project their forthcoming requirements and resulting costs, a Five-Year Investment Plan system was introduced which is updated every year(35). This long-term planning system takes account of the experiences of the immediate past year and, at the time of updating, incorporates modifications in the plan, with a particular emphasis on the requirements of the next year.

By running the Gabriel Seats Reservation System and International Telecommunication Services, the latter dealing with the maintenance and repair of transmission equipment, SITA had already entered into non-conventional telecommunications fields. A task force of the members of the "Steering Committee of Board of Directors" was established in 1978. On 14th December 1978, the Board adopted a recommendation presented by the task force, grouping actual and potential services of SITA in traditional, modern and mixed telecommuncations services for further exploitation of opportunities(36).

On 1st December 1978, with the inauguration of the Departure Control System of SITA at the Budapest Airport, another diversification of SITA had taken place(37). This system was useful for automation of departure functions at an airport which had to cope with a medium volume of traffic.

The extensive growth in "Type A" traffic, as well as less but steady increase in "Type B" traffic, created an overload situation in the Hong Kong centre during the latter part of 1978. It had an adverse effect on the quality of service of SITA. During the same period the load situation in the New York centre also became critical, but with a lesser impact on the service quality(38). By making structural changes in the network, SITA sought to eliminate the concentration of traffic in certain isolated centres, thereby achieving an optimal distribution of traffic through all switching centres and transmission circuits. By using an improved transmission speed of 4800 bits per second, both on the High Level Circuits and the circuit between Atlanta and Frankfurt which was implemented on 29th September 1978, some pressure was alleviated from the New York-Frankfurt circuit. A circuit between Paris and Rome was established and the capacity of Rome-Amsterdam and Rome-London circuits was increased from 4800 to 9600 bits per second. The connectability of CRT reservation agent sets was increased, and automation of "Type B" traffic was accelerated by installation in 1978 of more time division multiplexers.

Many switching centres benefited from the modernisation which included:-

(1) JAKARTA where a new centre of SITA, equipped with a time division multiplexer, was opened on 1st July 1978.

(2) SYDNEY where a new medium level centre was introduced on 14th October 1978.

(3) MOSCOW where a time division multiplexer was implemented on 13th December 1978.

Where investment in automated equipment was not economically justified, the manual centres kept on providing all the essential transmission services and, as per SITA s estimate, formed 15% of the whole network. Indeed, the manual sector was extended by inauguration on 25th January 1978 of a small manual switching centre in Wari, Nigeria, and, on 16th June 1978, in the Maldive Islands(39). Previous success, and improving efficiency and reliability of its transmission facilities, encouraged SITA to plan the achievement of the following standards in the years to come:-

(a) For conversational Type A Traffic a response time between three to six seconds, with a permissable loss of not more than 1% and a route availability of not less than 98.8%.

(b) For conventional teleprinter Type B Traffic a delivery time of between five minutes and a few hours, depending on priority, with a loss of not more than one message per million, and without any "message corruption"(40).

In spite of many attempts during almost previous twenty years, it was only in March 1976 that SITA obtained the authorisation from the Japanese International Telecommunications Administration (KDD) to install and operate its switching facilities in Japan(41). The final contract between SITA and KDD was signed in May 1978 and on 10th September 1979 SITA put into operation a High Level switching centre in Tokyo.

The Five-Year Plan of SITA for 1979-1983, which was approved in 1978, was amended to cover the period from 1980 to 1984 in the light of experience of the past year and in June 1979 it was approved by the Board of Directors. To provide a rational and coherent structure for International Telecommunication Services (ITS), in accordance with the recommendations of the Board of Directors, a company was formed in June 1979 in Switzerland - CITS SA - to act as a parent company for all the ITS companies working as SITA subsidiaries in France, North America, Hong Kong, Japan and Brazil.

In August 1979 the Passenger and Baggage Processing Subcommittee of IATA selected SITA as the official supplier of a worldwide primary Baggage

Tracing System - BAGTRAC. With the technical support from SITA and administrative supervision from IATA, this system went into operation on 1st March 1980, in the first place serving only by teleprinter means(42).

At the end of 1979, SITA had 238 member airlines of which eighty seven shared thirty eight different Seats Reservations Systems, connecting. 5000 remote terminals to the SITA Network(43). Conversational traffic (Type A) increased by some 70% and the conventional traffic (Type B) by 10.5% in 1979, as compared with the previous year. This huge increase in traffic called for substantial investment to produce more capacity and, accordingly, in 1979 about fifteen million US dollars were invested in improving the network. The hardware assets were adequately financed by long-term funds, composed of contributions from individual members medium-term bank loans, long-term leases and bills payable(44).

To implement the "bridging solution" before the full implementation of the "Advanced Network", contracts for the installation of new equipment in the High Level Centres of New York, London and Frankfurt were signed on 1st July 1979, and at the beginning of 1980 the implementation of these was reported to be performing satisfactorily(45). Another important contract was signed by SITA in September 1979 for the supply of both the hardware and the software for the Data Transport Network (DTN) which was to constitute the second phase of the Advanced Network. This contract covered the provision and installation of nine systems, together with the software specified by SITA. The software for these systems was already under development by a joint SITA/UNIVAC team of programmers. The first system was scheduled to go into operation in early 1981 and the project was expected to be fully operational by the end of the following year(46).

Under the Articles of Association, Art.27, out of the maximum number of twenty five Directors, up to seven Directors may be appointed if nomination for each of them is made by a group of airlines jointly holding at least fifty Capital Shares of SITA. In 1980, for the first time, a group of twenty five African members of SITA designated a director to the Board of Directors. Therefore, twenty five members of the Board, as constituted by the Annual General Assembly in 1980, represented 1335 Capital Shares out of a total of 1500 i.e. almost 90%. Active participation in SITA activities was also typified by the creation of a "Data Processing Users Committee". Technical, Financial and Services Devlopment Committees, composed of experts of member airlines, were already assisting the Director General in the formulation of functional and diversification policies(47).

At the end of May 1980 the control of Warsaw Communications Centre passed to SITA from the Polish Airline LOT. In September 1980, on the other hand, a contract was signed for the direct management by SITA of the Prague Centre which was then being operated by CSA. The possession was planned to pass to SITA as soon as the necessary formalities were completed with the Czech authorities. In 1980 new centres were opened by SITA in more cities to meet the new service demands by the old and new member airlines which were as follows(48):-

(1) Peking, China (subsequent to the membership in July 1980 of CAAC, the airline of the Peoples Republic of China)

(2) Hanoi, Vietnam

(3) Lyons, France

(4) Luanda, Angola

(5) Pointe-Noire, The Congo

(6) Rawalpindi, Pakistan

(7) Reyadh, Saudi Arabia

The "bridging solution" conceived during 1978-79, in the light of the unexpected increases in traffic volumes, became fully operational in 1980 as scheduled. The High Level Systems numbered fifteen by the end of 1980, compared with eleven a year before, and they performed well producing an availability figure of 99.71%. Altogether 1980 saw the cut-over of twelve satellite processors, twenty five time division multiplexers and twenty three Type A concentrators(49).

In August 1980, SITA was recognised by ITU (International Telecommunication Union) as an International Organisation. This status implies that SITA can participate in its own right as an Observer, in an advisory capacity, in the work of the ITU International Telegraph and

Telephone Consultative Committee (CCITT), a permanent organ of the ITU. This relationship is governed by Articles 377 and 378 of the International Telecommunication Convention (Malaga-Torremolinos) 1973(50).

The projects reviewed and approved by the Board of Directors in 1980, subsequent to the examination of specialised committees, were as follows(51):

(1) Extension of the Gabriel Seats Reservations System.

(2) Extension of SITA Network in India.

(3) Opening of SITA centre in Caracas.

(4) Implementation of satellite processors in Karachi and Lagos.

(5) Replacement of satellite processors from Stockholm, Sydney and Vienna.

(6) Implementation of a subsidiary service of SITA, Shared Cargo Service.

(7) Improvement of security at SITA Centres.

Through SINEF Service of SITA (introduced in 1979) the member airlines were able to verify the creditworthiness of their ordinary customers holding Amex Diner's Club and VISA cards. To use the cargo capacity of all types of aircraft of the member airlines in a co-ordinated and most efficent manner, SITA had started work in 1980 on the Shared Cargo Service, in addition to experimenting on the development of AIRCOM - Air/Ground digital communications system(52). In early December 1981, SITA was invited to present the AIRCOM project to the IATA Technical Symposium in Montreal(53).

The Gabriel Seats Reservations System was becoming more and more popular with the airlines and demand for its services necessitated improvements in technical operations and handling capacity. In October 1981 a building spread over 30000 square feet, to house more sophisticated installations, was jointly inaugurated by the SITA Director General and the Governor of the State of Georgia in Atlanta, USA. Thirty airlines were using Gabriel System at the end of 1981, while over seventy airlines were benefiting from the Baggage Tracing System which was only introduced a year before. Through the co-operative efforts of SITA and specialists from fifteen airlines, in 1981, requirements for a "Baggage Management System" were thoroughly examined. This system, which was expected to be implemented in 1983, will provide extensive information to the users of SITA Network relating to the operational control and management of baggage, leading to the reduction in claims in respect of missing baggage.

Technical, economic and functional aspects of AERODAT Service was comprehensively reviewed by SITA with the assistance of specialists from many airlines to provide a shared aeronautical data base. This service was created to produce a unique pool of data information relating to the air industry to avoid any duplication of effort by airlines managing this information individually. Further, in December 1981, the Board of Directors approved the development of a "Flight Planning Service". It was expected to optimise the current resources of the airlines possessing their own flight planning systems, at the same time supplying a worthwhile service to those which did not possess their own facilities.

In October 1981, SITA completed the implementation of an AIRCOM test facility, consisting of a computerised central site and two remote ground stations at the origin and destination points of a typical flight leg(54). "AIRCOM", implementation of which was anticipated in 1984, is regarded as a major project by SITA. When operational, this system of aeronautical telecommunications will allow an aircraft to communicate about maintenance, flight planning, fuel condition or other emergency, with either its point of departure or destination. The communications links between the aircraft and the ground stations will be digital and no physical circuitry will be involved in ground-air-ground links. This will mean an extensive amplification of the current SITA Network which is dependent on physical international circuits, leasing arrangements for which are very expensive and, in many cases, very difficult to procure due to the bureaucratic machinery of the nation concerned.

In April 1981, a "much needed" revision of Articles of Association of SITA was approved by the Board of Directors. Modifications to the text of many Articles were necessitated "to adapt them to the changes" in the activities of SITA. In August 1981 the updated version was published.

SITA continued to observe the developments during 1981 in different countries about the regulation of transborder data flow and privacy protection laws. "SITA had adhered to the principles of the secrecy of telecommunications since the origin of its operations" and it was felt that it was adequately covering obligations resulting from new data protection legislation, as stipulated especially by European countries. The Board of Directors in 1981 decided the organisation of a Conference on telecommunication services supplied, and equipment used, by SITA in March 1982 in Monte Carlo, under the title of "SITELCOM-82". The Conference was expected to be attended by many member airlines and representatives of international institutions(55).

In 1981 SITA continued negotiations to acquire the control of several switching centres in Eastern Europe which were still being administered by the national airlines on behalf of SITA(56). Although SITA was recognised in Guatemala, Honduras, Nicaragua and El Salvador, in 1981 discussions continued with the governmetns of Costa Rica for SITA's recognition(57). A satellite processor (connected with the Madrid High Level Centre) was successfully cut-over in Rio de Janeiro in August 1981(58) and this improved the services for "Type A" traffic in that region. However, provision of services of "Type B" teleprinter messages on the EMBRATEL s SICRAM system was not commenced at the same time, as certain procedural questions and the tariffs of the inter-Brazilian circuits were yet to be clarified(59).

In 1981, the capacity and quality of the SITA Network were favourably affected by implementation of Transport Network and the deployment of Network Control System, as well as duplication of the pre-existing smaller systems e.g. Type A Concentrators. These modificatations were necessary to meet the high demand during the transitional period, before the full operation of the proposed Advanced Network. Therefore, in 1981, the average system availability throughout the network came close to "the objectives defined several years ago by the Network Security Working Group". For the modern and relatively old Systems of SITA, the average figures of response for 1981 were as follows:-

(a) 99.78% for High Level Systems (7 Phillips DS714, 9 UNIVAC 418 II and III computerised Systems)

(b) 99.89% for Type A Concentrators (44 of which were in operation at the end of 1981)

(c) 99.39% for Satellite Processors (51 of which were in operation at the end of 1981)

(d) 99.1% for circuits between High Level Centres

(e) 99.89% for circuits connecting Satellite Processors.

For the improvement of the availability of the SITA Network, 1981 new installations included 12 Type A concentrators, most of which replaced the pre-existing computers with lesser sophistication and capacity. In addition, 15 Type A concentrators and 17 time division multiplexers were connected to the network(60).

In 1981 SITA opened new centres in Addis Ababa, Ethiopia, and in Harare, Zimbabwe. Connecting capacity of the High Level Centres of Tokyo and New York was increased by adding a core memory module and corresponding interface equipment(61). Also in 1981, a third High Level System was installed in the Hong Kong centre to meet the growth in the traffic demand before the full implementation of the Advanced Network(62).

An important step towards the implementation of the Advanced Network took place on 11th December 1981 when one of this project's first technical components, Data Switching and Interface System, was implemented in Paris. It was designed to remove Type A traffic from the existing High Level Systems(63). With the implementation of the London Regional Control System, full operation of alphanumeric 2 character airline designators and the continuing work on all other aspects of the Advanced Network, at the end of 1981 SITA was poised to enter into a new and highly sophisticated transmission era.

Not only has SITA been successful in perfecting the technical aspects of its Network, but also over the years the cost of its services has become more and more economical. In spite of "considerable" impact on SITA costs by inflation, the Budget for 1982, approved by the Board of Directors in December 1981, showed only a "slight" increase in the service charges(64).

CHAPTER 4

DIVERSIFICATION OF SITA

Supplementary and Information Handling Services

The concentration of technical expertise in the Institution of SITA and its growing infrastructure of transmission network facilities inspired its management and users to draw on the valuable assets by introduction of new services in order to gain more economic benefits by full utilisation of the SITA machinery. It was this motivation which led to the introduction of the Personnel Training Scheme in 1975 and the procurement on 1st January 1976 of the Gabriel Seats Reservations System at Atlanta, USA(1). In addition, a subsidiary of SITA, ITS (International Telecommunications Services), had already taken SITA into a non-traditional telecommunications activity by providing mainly support and maintenance services for telecommunications facilities belonging to SITA, other individual members or third parties(2).

This zeal for diversification of SITA culminated in the establishment of a task force by the Board of Directors to examine, in detail, the development of SITA into fields other than the traditional telecommunication services. The task force, consisting of members of the Steering Committee of SITA Board of Directors, met four times in 1978 and on 14th December 1978 the Board adopted a recommendation presented by the task force. The recommendation grouped the actual and potential activities of SITA into four categories, with structures for each type of activity. These categories were as follows:-

Category I

COMMUNICATION SERVICES containing mainly the traditional SITA Telecommunications, in addition to other telecommunications for airlines, such as air-to-ground VHF Voice and Digital Data Links.

Category II

DATA PROCESSING SERVICES which are essentially co-operative in nature, having a primary interest for the airline community at large and which depend upon interline communications.

Category III

Other data processing services which can be organised by SITA for a group of Member Airlines, as distinct from services of interest and participated in by the whole SITA membership. These will not include the services mentioned in Categories I and II above but they will make use of the telecommunications network of SITA.

Category IV

SUPPORT ACTIVITIES which, while of interest to airlines, have also to be provided to third parties on a profit-making basis. The object of the category of service is to allow SITA to supply the services to its Member Airlines at an acceptable cost level. The only example of such a service before 1978 was the International Telecommunications Services which provided technical and maintenance services for the telecommunications facilities, belonging not only to SITA and its members, but also to third parties.

During its meeting on 14th December 1978, in which the above categories were approved, the Board of Directors also agreed that the actual category for any particular activity would be decided by the Board on a case by case basis. The deliberations of the Board in this meeting accelerated and intensified the process of study, evaluation and addition of new services made available by SITA to its Members and, in some cases, to third parties. These supplementary services will be discussed in the following order:-

(1) International Telecommunication Services (ITS)

(2) Personnel Training Programme

(3) Gabriel Services

(4) Departure Control System (DEPCON)

(5) SITA Negative File (SINEF)

(6) Baggage Tracing System (BAGTRAC)

(7) Meteorological Service (METEO)

(8) Shared Cargo Service

(9) Digital Ground/Air Communications Service (AIRCOM)

(10) Tariff Reference System

(11) Flight Planning Service

(12) Aeronautical Data Base (AERODAT)

(13) Prospective Services

(1) International Telecommunication Services (ITS)

Before the diversification of services was undertaken on a large scale, SITA had already established a body called the International Telecommunication Services (ITS), to mainly provide maintenance services for telecommunication installations. The equipment repair and maintenance services were not only provided to the SITA Network but also to SITA Members and third parties(3). In consequence of the steps taken by the task force, established in 1978, a company - CITS SA - was incorporated in Switzerland in 1978 to act as a parent company to all the ITS group companies. By the end of 1979, the two most important ITS operating companies, i.e. ITS France and ITS North America, had become subsidiaries of CITS SA. It was planned that other ITS companies in Hong Kong, Japan and Brazil would also be brought under the umbrella of the parent company(4).

Support activities provided by SITA include equipment maintenance, site installation, systems engineering and terminal leasing. It was planned to transfer progressively all aspects of these activities to the CITS Group by 1985(5). The coordination of ITS companies through CITS will enable SITA to provide globally efficient technical advice and repair services in acquisition and maintenance of telecommunications equipment.

(2) Personnel Training Programme

A "Training Group" was first established in 1975 at the Head Office in Paris(6). The organisation of such a training facility was made essential due to the varied and sophisticated skills which were required of the SITA personnel in operating and adapting to the changing configuration of the SITA Telecommunications Network. The utility of the SITA Training Group grew rapidly. In 1978 it conducted 10500 trainee hours, 40% of which were spent in the field. Another 40% of the time was devoted to training at the SITA Head Office and the remaining training sessions were conducted for the benefit of third parties, such as KDD (Japanese Telecommunications Administration) because of the forthcoming setting-up of a High Level Centre in Tokyo(7).

The need for training grew further in 1979 and SITA had to reinforce its existing training scheme. Consisting of a nucleus at Head Office and staff at 5 Regional Offices, in 1979, SITA Training Scheme was planned to be extended to eleven countries, permitting a far more comprehensive approach to staff training than hitherto was possible. The extension of the Training Programme was made indispensable due to the necessity to retrain and prepare the present staff to meet the anticipated needs of specialist personnel for the impending Advanced Network(8).

There was no let-up in the demand for SITA training services in 1980 and the training team was expanded both at Head Office and at Regions. A significant improvement was achieved in the number and variety of courses offered in theoretical and technical disciplines. In 1980, 5300 of the total hours of training were conducted for the benefit of the staff of the Member Airlines, an increase of 112% over the previous year.

Without this expansion in the Training Services, SITA would not have been able to keep in step with the training demands of the Member Airlines. This trend clearly demonstrated the interest of the airlines in the training programme and confirmed "the requests made by airline representatives at the various Regional Conferences", held in 1980 at different offices of SITA(9).

The employees of SITA rose by 3.9 in 1981 as compared with the previous year. It took the total number of staff to 1830, including 305 officials working at the Head Office. The new recruitments represented, essentially, the technical staff. In 1981, increased specialisation of the training staff was undertaken to allow higher efficiency in the training activities. Over 9000 hours of training were provided to the employees of Member Airlines which was over 70% more than in 1980. Increasing popularity of these professional services was regarded by the Director General of SITA as being responsible for this extension in the training programme(10).

Whenever a new service is introduced, training becomes absolutely essential for the staff who are responsible for its operation and maintenance, thus amplifying the training programme further. The new subsidiary service, BAGTRAC (Baggage Tracing System) became operational in 1981 and a Field Training Service was provided. Through this particular service, the employees of over 100 airlines received appropriate BAGTRAC training in 1981 through courses given in Paris, Cairo, Madrid, Los Angeles, Nairobi, Zurich, Geneva and Dakar(11).

The total trainee hours had risen to 35000 in 1981, as compared with 23000 in the previous year. While a major portion of the training programme was devoted to the internal staff, in 1981, SITA assisted fifty-three Member Airlines to train their staff, as compared with twenty-two airlines in the preceding year. The training courses are given in several languages, notably in English, French, Spanish, Arabic, Portugese, German and Dutch. They can be organised on request on the premises of a particular airline, at any centre of SITA or any other location suitable for the training in question. Permanent Training Units, in addition to a Central Training Department at the Head Office, are located in the following Regional Centres(12):-

Abidjan - Ivory Coast

Amsterdam - Holland

Frankfurt - West Germany

Hong Kong

London - United Kingdom

Madrid - Spain

New York - USA

Rio de Janeiro - Brazil

Zurich - Switzerland

(3) GABRIEL Services

GABRIEL was categorised by the Director General of SITA AS "one of SITA's first ventures outside the field of traditional telecommunications"(13). This system was acquired by SITA on 1st January 1976, mainly for use by those members who did not possess their own seats reservation systems to be used in conjunction with the transmission facilities of SITA Network(14). Some current users of GABRIEL possess their own individual seats reservation systems and their membership of GABRIEL is complementary to their operation due to the location of GABRIEL in Atlanta (USA) ~~or~~ other factors of commercial convenience.

In 1978, there were 16000 terminals served by this shared reservations facility(15). About 10000 of them directly connected and 6000 terminals communicating with GABRIEL through the SITA Network. There was a substantial increase in the use of the GABRIEL System in 1979. Approximately 15 million passengers boarded through it, as compared with 10.4 million in 1978; this enabling SITA to reduce the cost per passenger boarded from twenty-seven cents (US) to twenty-five cents. The demand for seat reservations and other services was still rising and further expansion was planned(16).

1980 witnessed an extensive development of the GABRIEL services. A comprehensive project for the expansion of the system, pursuant to the examination by the appropriate specialised committees, was approved in 1980 by the Board of Directors(17). In June 1980, the system was extended by a third UNIVAC 494 computer which had the potential of doubling the capacity of the system. The system proved to be more successful and generated new demand which led to the approval by the Board of Directors of further extension, involving the installation of a more powerful computer, the UNIVAC 1100-80 model(18).

With the construction of a new facility at Atlanta and the installation of 2 UNIVAC 1100-83 computer systems, planned to reach full potential in 1983, much more sophisticated facilities will be available. This modern facility is called GABRIEL II(19).

GABRIEL II, according to SITA, will provide the users with "unique function features", as compared with those enjoyed by the users of GABRIEL I. In addition, there will be new capabilities generated by the modern designs of the equipment to be used. The thirty-two airline users of the GABRIEL services have participated in numerous functional seminars through which their particular requirements were incorporated in the development plans for GABRIEL II(20). In October 1982, conversion of the computer programmes of the current GABRIEL I system was being processed, with a view to see GABRIEL II in operation in 1983. GABRIEL II will be a comprehensive multi-host system which will afford the user computer-within-a-computer security. The service charges will be on a pro-rata and non-profit basis.

GABRIEL Reservations System processes not only seat reservations but also certain other types of information relating to airline management. In October 1982, thirty-two airlines were sharing the central system hardware and programmes but the data resided in each airline's discrete files. In dealing with the processing of information or responding to enquiries, each airline is given an equal priority. The system is kept up-to-date in accordance with the standards laid down by ATA and IATA.

By providing an opportunity to share a single computerised system, the GABRIEL system enables small and medium-sized airlines to automate the vital reservations function which they may not otherwise be able to afford. The system also enhances service to air travellers by providing immediate confirmation of inter-airline space for both GABRIEL users and other airlines. The GABRIEL system deals with all aspects of reservations through PNR (Passenger Name Record) reservations system. The key features of the PNR reservations system are highlighted as follows:-

(a) Comprehensive displays on the terminals of sales agents of schedules and availability information are arranged in priority sequences, in order to satisfy the marketing philosophies of each user airline.

(b) Provision for logical transactions for creating, retrieving, modifying or cancelling PNRs.

(c) Provision for up to five agents, using a single CRT terminal, or for one agent processing up to five transactions concurrently on a single CRT.

(d) Control of transactions is secured for travel agencies equipped with user CRTs, e.g. one agency may not retrieve a PNR created by another agency.

(e) Through sophisticated computer programming almost any type of report based on the PNR activities may be obtained by a user from the System. Such report may include information about reservations made by a particular travel agent in a particular period, load factor in a particular period, seats booked or weight listed over a date range or for a specified date, etc.

(f) Airline users can also be assisted with a variety of sophisticated technical information regarding flight planning and schedule organisation through the GABRIEL system, details of which are not given here because of their complicated technical nature.

In addition to the provision of all the requirements of an airline reservations system, the GABRIEL system also provides the following services(21):-

(a) A hotel availability and inventory system.

(b) Interface with car rental systems for availability and direct sales.

(c) Interface with credit card systems for modifications and authorisation.

(d) The IATA/SITA Baggage Tracing System (BAGTRAC).

(e) METEO - a worldwide weather data disseminating system.

At the beginning of 1981, the managerial and technical organisation of the GABRIEL system included fifty-two people (22).

The cooperative venture of GABRIEL Reservation Services has been successful. As the demand in the services increased, due to the non-profit basis of the operation, the running costs went down. For the third time consecutively, while prices were rising everywhere else, in 1980, consumers experienced a reduction of approximately 10% in the cost per unit. There are four factors which represent the total cost for the use of SITA s Gabriel Reservation System(23) and these are:-

(i) The central site cost which is based upon revenue passengers boarded (RPBs) through the system.

(ii) The telecommunications charge which is the cost to transmit data between the airline terminals and the central site.

(iii) The CRT (cathode ray tube) terminals, printers and modems which may be purchased, rented or leased through SITA.

(iv) The cost for the maintenance of the terminals, printers and modems.

GABRIEL II, when fully implemented will, in addition to providing more capacity for the present services, be able to offer a house for new supplementary and information handling services which SITA may introduce to meet with new requirements of its Member Airlines. However, some of the services are likely to be diverted to the newly opened SITA Data Processing Centre in London. In June 1983, the Shared Cargo Service (for details of which see below) became fully operational in this Centre. Two other services which were under development by SITA -- Flight Planning and AERODAT - were also intended to be housed in the London Centre(24).

GABRIEL computers were providing the aforementioned services in June 1982 to the following airlines(25):-

(1) Aeronica

(2) Aeroperu

(3) Air Berlin

(4) Air Nauru

(5) Air Panama Internacional

(6) ALIA Royal Jordanian Airlines

(7) Aviateca

(8) Balkan Bulgarian Airlines

(9) CAAC

(10) Capitol Air

(11) Ceskoslovenske Aerolinie (CSA)

(12) Dominicana de Aviacion

(13) Ecuatoriana de Aviacion

(14) Ethopian Airlines

(15) Faucett

(16) Ghana Airways

(17) Guyana Airways

(18) Icelandair

(19) International Air Bahama

(20) Ladeco

(21) Linea Aerea Nacional de Chile (LAN)

(22) Lineas Aereas Paraguayas

(23) Lloyd Aero Boliviano

(24) LOT - Polish Airlines

(25) Luxair

(26) Malev Hungarian Airlines.

(27) Metro International Airways

(28) Servicio Aereo de Honduras (SAHSA)

(29) Sudan Airways

(30) Syrian Air

(31) Transamerica Airlines

(32) Transportes Aereos Nacionales

(4) Departure Control System (DEPCON)

This system was first inaugurated on 1st December 1978 in Budapest, Hungary(26). This service (based on the Raytheon PTS 1200 Raycheck computerised system) provides passenger check-in, issuing boarding passes and weight-and-balance calculations. The system is free-standing and capable of working independently on provision of basic data by the reservation computers. It also handles standby, no show, no record passengers and produces post-flight reconciliations. The system is fully adequate and particularly adapted to the needs of groups of airlines, or individual carriers, having passenger volumes not exceeding one thousand per peak hour(27).

On 7th September 1979, another DEPCON System was installed at Sofia Airport, Bulgaria(27). This system, like the one at Budapest, is connected to the GABRIEL Reservations System by high-speed transmission lines(28). Expansion of the Budapest system was planned to include a Flight Information Display System. This additional feature would provide the airport and the airlines with automated flight arrival and departure information. DEPCON installations are planned for other airports and it was expected that Abidjan would have this system very soon(29).

SITA, on request of a group of its Member Airlines carried out an in-depth study, in order to optimise the utilisation of the existing airport facilities, especially for passenger departure(30). This resulted in the development of CUTE (Common Use Terminal Equipment) which can be operated through a SITA-designed interface. The CUTE interface permits access by personnel, various airlines and/or airline authorities to remote departure control systems. The major benefits(31) of CUTE will be:-

(a) Improved passenger service.

(b) Cost reduction for the airport authorities by avoiding undue and untimely investment for airport extensions.

(5) SITA Negative File (SINEF)

SINEF was introduced by SITA during 1979 and it is available to all Member Airlines having CRT connections with the network and are prepared to undertake a minor development effort in their own reservations system(32). This service permits the subscribing airlines to access the American Express (AMEX) system in Arizona for validation of American Express and Diners Club Credit Cards and to verify other financial documents pertaining to the airline industry. This credit verification procedure, which translates the standard industry transactions into the unique format used by the VISA system, is operated through the GABRIEL System. It functions in real-time (i.e. responds instantaneously) and in 1981 it was being used by British Airways and users of the GABRIEL Reservations System. Several other airlines had planned to develop the necessary transaction interphase during 1982 to enable themselves to benefit from the protection provided by this service(33).

(6) Baggage Tracing System (BAGTRAC)

A new project was launched in 1979 following the recommendations of the task force and the decision of the Board of Directors to diversify the services provided by SITA. In August 1979, SITA was selected by the Passenger and Baggage Processing Subcommittee of IATA as the official supplier of a worldwide Baggage Tracing System. It was a joint venture in which IATA s task was the handling of the administrative matters, while SITA was to provide the technical means. In addition to the expertise of the SITA personnel, these technical means included the usage of the technical processing equipment of the GABRIEL System in Atlanta to house the data concerned and the main SITA Network to provide global transmission facilities concerning the information about lost and found luggage(34).

On 1st March 1980, according to plan, the new system was inaugurated, operating through the teletype messages of airline teleprinters(35). This fully automated service, christened as "BAGTRAC", started to operate in real-time through the CRT display terminals in August 1980, the inaugural users being the British Airways and Malev Airline(36).

Other than tracing reportedly missing baggage, BAGTRAC also deals with unclaimed baggage. Standard descriptive reports of the lost or unclaimed bags are matched on the basis of the information provided by airline computers over 120 hours, to place the "found" baggage at the disposal of the "loser". The system also produces daily and monthly statistical reports and is sufficiently flexible to permit its use with "widely varying Baggage Tracing Systems" possessed by individual airlines. It permits the exchange of information both within a given airline, as well as among the airlines throughout the world. The participant airlines of BAGTRAC are not obliged to be members of either IATA or SITA(37). This unrestricted membership is necessary because, unlike a Seats Reservation System, the success of a Baggage Tracing System is highly dependent on the level of participation. If the membership is more global then it can ensure better traceability of a misrouted piece of baggage to any part of the world. The encouragement of broad membership produced the following growth in the users of this service(38):-

20 Airlines - 1st January 1980

54 Airlines - 1st January 1981

70 Airlines - 1st January 1982

83 Airlines - August 1982

Users of BAGTRAC held their first meeting in December 1980 in Atlanta and elected eleven of their members to constitute a "BAGTRAC Steering Group"(39). In November 1981, the user airlines held the second conference. The main topics of discussion were the improvements which were to be incorporated in the BAGTRAC System, when it would be transferred to the UNIVAC 1100-83 modern computer of GABRIEL II.

SITA has planned to complement BAGTRAC by an additional service - a comprehensive Baggage Management Information System. It is a part of the development effort undertaken by SITA to improve the passenger services provided by the Member Airlines and to reduce passenger baggage claims. This subsidiary service will also be housed in the GABRIEL computers. The specifications for this service were defined by SITA in cooperation with the specialist representatives of fifteen interested airlines. On implementation, this service will provide participating airlines with extensive information and control of missing and found baggage. If sufficient interest is shown, it was anticipated that the service could become operational during 1983(40).

(7) Meteorological Service (METEO)

Another service offered by SITA through its computers of the GABRIEL System is the METEO Service. It was implemented in the fourth quarter of 1979(41). A geographical selection of meteorological global data meeting particular requirements of a specific user is transmitted twice a day to it to facilitate its flight planning. Observations are made on temperature, wind speed and direction for eight or more isobar strata, in the low, middle and high altitude levels at local, midnight and noon times(42). The geographical area, altitude levels and the transmission time is pre-selected by an airline and the data also includes the tropopause heights. The relevant extracts of a particular weather forecast are dispatched by SITA Type B telegrams or via Type "A" real-time visual display terminals.

The weather forecasts are prepared by the National Meteorological Centre at Suitland, Maryland, USA, approximately five to six hours subsequent to the observation periods of 00.00 GMT and 12.00 GMT. Each forecast is subdivided into bulletins which consist of all the data for one altitude category such as high level, for one major geographical area such as South Pacific and for one time period e.g. twelve, eighteen, twenty-four or thirty hours ahead of the actual observation. These bulletins can further be refined to cover blockettes of ten by ten degrees in a given area. A blockette can contain up to eight sub-squares. Forecasts may be sent by SITA on a pre-requested regular time automatically or on a specific request of a participating member, covering small geographical blockettes and level range varying from 850 millibars to 150 or lower millibar levels. Forecasts for the entire globe are broken down into a number of geographical regions.

A second Global Weather Forecast Centre, located in Bracknell, United Kingdom, has been designated by ICAO for assistance in improving the safety of air navigation. Starting in the second half of 1983, SITA had planned to offer user airlines the weather forecast information generated from this centre in the same manner as the service based on the data provided by the US National Meteorological Centre.

METEO service is offered on a one-year minimum renewable basis and a fixed monthly fee is charged, allowing unlimited use of the system. Charges for the transmission of information are additional and these are calculated in accordance with the usual SITA COst Sharing Scheme(43). Provision of accurate, up-to-date and world-wide meteorological information through this service generates the following important benefits for airline users:-

(a) It enables the users to effect flight planning efficiently, thus saving fuel, time and operating expenses.

(b) It permits selective data, thereby saving transmission and processing costs.

(c) The information is received by the airlines through the reliable transmission channels soon after it has been received by SITA from the National Meteorological Centre.

The accuracy and completeness of information is ensured via the automatic retrieval and re-transmission means of SITA.

On 1st January 1982, to assist in their automated flight planning programmes, METEO service was being used by KLM, Alitalia, Cathay Pacific, Qantas and Iberia airlines. Four other airlines had conducted tests of the service in preparation for installing automated flight planning systems(44).

(8) Shared Cargo Service

When the air cargo business grew in volume and pressure on airlines increased to reduce costs and improve revenue yields, more and more airlines placed emphasis on the profitability and marketability of their freight operations. In response to these interests, in 1979, development of cargo services became a subject of intensive research by SITA. It was realised that more time was needed in order to offer any progressive service in this regard(45). Research on hardware equipment, software programming packages and procurement of appropriate premises continued during 1980. The Board of Directors in December 1980 considered and approved the project of SITA Shared Cargo Service(46). Like other services of SITA, e.g. GABRIEL Reservations System, it was decided that the new service was also to be run on a non-profit basis. The SITA Shared Cargo Service is the first airline shared cargo computerised system in the world and it offers a real-time operation which is available all the time. The service will utilise Alitalia's Fast III Cargo Control System supplemented by Swissair's On-Line Schedule Change Procedure. SITA favoured the selection of the Fast III system because:-

(I) it is a proven system and had been in use for nearly ten years in 1982.

(II) It has been continuously improved and updated.

The service will be operated on a fully duplicated IBM4341 Model 2 computer, housed in the SITA Data Processing Centre in London(47). The system will provide flight preparation (including reservations), capacity control, warehouse control and inventory, air waybill preparation and manifestic facilities. It will also facilitate the organisation of arrivals, transfers and delivery control. The system will also keep track of unit load devices such as containers or pallets and will perform a number of revenue accounting functions(48).

Extensive specification reviews were conducted for a potential group of initial participants. Thirty-seven representatives from nineteen airlines attended a Seminar on 23rd-24th June 1981 in Paris and discussed various aspects of this service. When the 'Project Revenue Objectives', set out by the Board of Directors in December 1980, were met by conclusion of requisite service agreements, the project was seriously pursued. The service went into operation in June 1983(49).

(9) Digital Air-Ground Communications Service (AIRCOM)

Until recently, international aeronautical operational communications were restricted to voice communications, using VHF (very high frequency) or HF (high frequency) radio transmission between aircraft and ground stations. In 1977, the first operational air-ground digital service was introduced in North America by (ARINC (Aeronautical Radio Incorporated). ACARS (ARINC Communications Addressing and Reporting System) has been installed (in August 1982) on 14,000 US aircraft(50), operations of which include undertaking flights at or above 20,000 feet. Digital communications of this kind have the benefits of reduction in the crew workload, automatic transmission of remote sensor-data, enhanced protection against garbling and much more economic use of the frequency spectrum(51).

On request of its members, SITA started to study the development of a similar system on a worldwide basis. Feasibility studies continued in 1979, 1980 and 1981(51). In depth assessments were planned to ensure that this "major" data processing project was compatible with the US ACARS System. Indeed, SITA's system, designated as "AIRCOM", will use the same onboard avionic equipment as used by the ACARS System and will complement any existing voice or digital communications.

AIRCOM service will be provided through a series of VHF dedicated ground stations supporting aircraft to ground data links and connected to the nearest SITA Network Interface System, i.e. a satellite processor, by a multi-drop medium-speed line transmitting 2,400 bits per second (4 bits = 1 Character approximately). All AIRCOM traffic received by the remote ground stations will be routed through the SITA Network to a SITA "AIRCOM Service Processor", centre of the computer system(52). From the AIRCOM Service Processor messages are then sent via the SITA Network to the airline final ground destination facility which may be a terminal or a computer system. According to the plans, AIRCOM service will make extensive use of the existing SITA Network infrastructure and telecommuncations facilities. Therefore, minimum investment and operational costs will be incurred by the Member Airlines. In October 1981, SITA completed the implementation of an AIRCOM Test Facility consisting of a computerised central site and two remote ground stations. The ground stations represented the departure and destination points of a typical flight, sending information to the aircraft (Up-Link) while receiving information from the aircraft (Down-Link). KLM was the first airline to participate in the evaluation of AIRCOM and the service was expected to be available to SITA Members in the first half of 1984(53). Fifty remote ground stations are planned to be established first in Western Europe and Mediterranean, and expansion of AIRCOM to Asia, Africa and Middle East will follow later. SITA AIRCOM System is only concerned with the transmission of information belonging to its Member Airlines and it should not be confused with the general air traffic systems which are specifically concerned with the separation and safety of aircraft. Data blocks (unspaced-out characters) will be transmitted over the AIRCOM System at a speed of 2,400 bps on VISUAL Display Terminals (CRTs) in real-time - SITA categorises this kind of transmission as "Type A" traffic. Information envisaged to be transmitted over AIRCOM includes(54):-

(a) Down-Link (air-to-ground)

Reporting of times of 'out of departure gate', 'off ground', 'on ground , in the arrival gate and estimated arrival time. Full status, engine performance and other maintenance-related data for immediate attention at the destination. Crew data for relief and payroll purposes. Passenger Service Data regarding reservations and interconnections.

(b) Up-Link (ground-to-air)

Reporting of flight plan changes. Communication of NOTAMS. Weight and balance data. Flight management, computer data, base updates.

(c) Both links

Both Up and Down Links will handle weather information including that collected by on-board sensors, etc.

(10) Tariff Reference System

The complexity of fare-related functions has been increasing day by day in parallel with the technical development and geographical expansion of international air transport services. A vast number of fares are superimposed by a galaxy of rules, regulations, conditions of application, exceptions, special concessions, rules of foreign exchange and interconnections. Riddled with the multitude of these factors, varying from airline to airline and market to market only on the North Atlantic routes, in January 1982, fifty airlines were in operation and a travel agent had to deal with the fares pertaining to 35,000 city-pairs between the US and Europe on the Trans World Airways booking system(55). The plethora of tariffs can become more baffling for a travel agent to deal with if the changes in directives instructions, fare structures, etc., are not updated on the appropriate reservations systems in a co-ordinated manner. The situation can be further aggravated by the inherent weaknesses of manual procedures employed in effecting such regulatory updates.

The Member Airlines turned towards SITA for the provision of a tariff reference system to alleviate these pressures. Preparatory studies were conducted and, in December 1981, the Board of Directors authorised SITA to go ahead with the development of a tariff reference system, ensuring accuracy of calculations, precision of regulatory information and, above all, simplification of fare quotations. The approved plan included the acquisition of computer application programmes and their integration into one of the existing or planned SITA Data Processing Centres(56). It will provide automatic tariffs updating functions, automatic ticketing and automatic fare calculations and their display in real-time on CRT terminals (Type A traffic), together with the aids for manual fare calculation. These functions can either be used collectively or individually. In addition to the GABRIEL system users, the service will be available to SITA Member Airlines in conversational mode on a computer-to-computer basis. This mode of operation will make the Tariff Reference System directly available to all reservations agents. The reservations agents will not be aware of this mechanism. They will see their reservation system answering their questions, no particular procedure being required from them in order to access the Tariff Reference System integrating the systems of all the Member Airlines.

SITA will take responsibility for the maintenance of the information which is common to all customers, eg IATA fares, currency conversion rates and mileages. If a particular user airline wishes to store a set of specific fares in the system, the responsibility for up-dating them will be delegated to it(57). Each Member Airline will be able to choose which fares of other airlines may appear on the display terminals of its own reservations system. This will ensure that the SITA Tariff Reference System remains neutral because unwanted, cheap, competitive fares of another airline will be avoidable by a Member Airline from appearing on its reservation terminals. The system was scheduled to be operational during 1983, subsequent to the conclusion of the requisite Service Agreements between SITA and the intending user airlines(58).

Any airline possessing one of the following technical means of connection will be able to use the system(59):-

(a) Dedicated Conversational Terminal connected with the SITA Network, using Type 'A' messages. (b) Conversational Terminal through a Reservations System which acts, in this case, as a Message Switching System. (c) Multi-Access Terminal for which one of the connectable systems is the Tariff Reference System, (d) Teleprinters using the SITA Network System through teletype messages (telegrams), categorised by SITA as Type 'B' Traffic.

(ii) Flight Planning Service

At present there are surprising numbers of airlines (60) which still do not have their own computerised flight plan preparation facilities. To provide a global and comprehensive flight planning system to Member Airlines, in 1979, SITA started a serious study of this project(61). In its meeting in December 1981, the Board of Directors approved the flight planning service project submitted to it by the management. A feature of this service is the acquisition of the existing flight planning programmes which can meet the needs of the interested airlines in optimising their flight plans(62). An extensive review of the existing and potential computer programming techniques will ensure accuracy, fuel consumption and operational efficiency. The service will be provided on an economical rate as it will utilise the existing SITA Transmission Network and Data Processing facilities.

The Flight Planning Service is designed for use by qualified licensed airline personnel (dispatchers and pilots) as a means of making an extensive analysis of all relevant parameters for the dual purpose of ensuring safety and generating the optimum route(63). The user airlines of this service will access the system through real-time visual display terminals (CRTs) or through teletype messages generated by teleprinters. By executing the appropriate transactions, the user may either display or update elements within the SITA Data Base or instruct the system to calculate an optimum flight plan for a specific leg(64). If the system is requested for a flight plan, printout and copy of the ICAO flight plan will automatically be delivered to the user.

The service will use inputs from SITA METEO and AERODAT services and the flight plans will cover three-dimensional tracks. Any subsequent updates or new clearances will complement the system and such additional information will be transmitted over the SITA AIRCOM service. As the Flight Planning Service will be a global system and it will incorporate the most recent technical advances, it is expected that airlines which at present have their own flight planning systems will also make use of it. The planning of the service was in the final stages in 1982 and it was expected to be operational in the course of 1983(65).

(12) Aeronautical Data Base (AERODAT)

Operation of international air services requires the airlines to collect, analyse and apply an enormous amount of information provided by various aeronautical authorities of different countries. Many airlines fly on the same routes and use the same airports in their route structure and this results in duplication of effort in the processing of the same information. AERODAT is an example of a collective effort of airlines willing to avoid such a waste of effort. AERODAT is aimed at accumulation of aeronautical information in a single data base and dissemination of it to the individual Member Airlines according to their requirements. An important feature of this service will be that very detailed data pertaining to safe air navigation will be available to all airlines, however small(66).

The impetus for creation of AERODAT came from the Member Airlines and, in 1980, SITA began work on feasibility studies on this project(67).

These studies were conducted under the supervision of the Services Development Committee of SITA and led to the formation of AERODAT. Functional Task Force which started, on 16th September 1981, a detailed functional, technical and economic review of this service. Lufthansa, Swissair, Air France and Iberia have been participating actively in the development of AERODAT functional specifications. After being convinced of the clear need for and positive operational feasibility of the project, in June 1982, the Board of Directors approved the initial development of AERODAT(68).

An outstanding feature of the AERODAT service will be the provision of aeronautical digital information to the Member Airlines to assist them in their flight planning and flight management(69). This will be particularly beneficial to those airlines which are otherwise unable to organise their own flight planning. SITA Flight Planning Service will also use the digital aeronautical information stored in the AERODAT system.

(13) Prospective Services

In addition to transmitting the information pertaining to the above services, the integrated SITA Telecommunications Network, containing about 5,500 circuits leased from Post Telegraph and Telephone Authorities of various nations, is still capable of handling more information. The transmission capacity is being improved continuously by modernisation of connecting and processing devices and this will remain a great incentive for introducing new services in the network, as no additional investment will be required to be spent on the infrastructure. As in recent years, the development of new services is likely to be induced and shaped by the burgeoning new information distribution technologies that blend automated real-time data processing and tele communications for which the terms Telematics or Informatics seem to be gaining acceptance (70).

An Airline Schedule Information Service will be a feature of the GABRIEL II when it is fully operational(71). The need for this service was realised long ago and serious studies had begun in 1979 on this project(72). It appears that the highly sophisticated data processing facility of GABRIEL II, with further space for technological improvements, will provide an economical home for any future services necessitated by quantitative and qualitative growth in international civil aviation.

At present the SITA Network stores, retrieves or provides information for its Member Airlines or their authorised Travel Agents. Most of the information handled by SITA concerns the scheduled departures and arrivals of flights, as well as availability and reservation of seats. With the growth in the techniques of transmission, and for the ease of the ordinary traveller, services making this information available directly to the passengers and consignors may be developed in the future. Such services may be based on the following methods(73):-

(a) INFORMATION ONLY SERVICE By this method the consumers will be able to access the SITA facilities to obtain information about the airline schedules, availability of seats and tariffs. They may obtain teletext information on their televisions, thus avoiding the inconvenience of telephoning the airlines or travel agents which may have clogged switchboards. But it will still involve personal contact for making final bookings.

(b) COMPREHENSIVE TRANSACTION SERVICES: Under this method not only can the consumer obtain information but he can also transact with the airline. Information may be obtained by him through fully interactive videotex services such as Prestel (U.K.), Teletel (France), Teledon (Canada) and CAPTAINS (Japan). Reservations, made by consumers from their homes, will need payment at confirmation to avoid frivolous and multiple entries.

the Chief Executive Officer of the French Intelmatique Company, Roy Bright, described the potentialities of the new Smart credit cards incorporating an imbedded microprocessor which could be programmed to offer a range of charging facilities at the disposal of the cardholder. A test programme, involving charging-from-the-home, using a credit card reader in the user terminal, was expected to begin in 1982.

Even though theoretically possible, access via TV devices to the alphanumeric and graphic data held in SITA Reservations System is not likely in the immediate future. Such direct-to-consumer facility, although improving the quality of service and probably making air travel more economical, at present has the following obstacles in its way(74):-

(I) Even though many interactive devices (Prestel etc.) are developed, due to the expense, they are not widely used by public.

(II) Travel agencies, which are vital to air industry, may resist such a service as it will curtail the viability of their business.

(III) At present a plethora of fares is available and a consumer doing it himself electronically may be severely out-of-pocket when he is planning a complicated itinerary.

SITA is an operational institution and to comprehend the full picture of it the above discourse of its various services was necessary. The provision of the above services, as well as the creation, maintenance and management of its global transmission network, displays the important role played by it in the field of international air transport. It is the essential international character of the services provided by SITA, and the supply of them on a non-profit basis, which distinguishes it from other international commercial concerns, usually known as multi-national corporations (MNEs).

CHAPTER 5

CONSTITUTION OF SITA I

Origin, Membership and Finance

Origin

SITA was constituted as a "Co-operative Society" by a deed received on 23rd February 1949 by Mitre Muller Vanisterbeek, a Notary in Brussels(1). This deed - Articles of Association of SITA - was subsequently amended to meet changing circumstances in accordance with "Proces-Verbaux" in 1954, 1957, 1960, 1961, 1966 (twice), 1967, 1974, 1975, 1976 and 1978(2).

The Board of Directors of SITA in 1980-1981 re-organised, consolidated and modified the Articles of Association. As a result, the revised version was approved on 19th May 1981 by the General Assembly of the members of SITA in Brussels(3). The authentic version of the Articles of Association is in French(4). However, references in this work have been made to the English Translation which was published in August 1981 by SITA.

The official title of the organisation is specified in the Articles of Association as "Societe Internationale de Telecommunications

Aeronautiques (International Society of Aeronautical Telecommunications), abbreviated as SITA ". According to its Constitution, in its dealings abroad SITA may add to its title either a translation of its name or description of its activities in a foreign language(5). As recorded in the Commercial Register of Brussels No.217.548, SITA is incorporated under the Belgian Law and its designated Registered Office is in Brussels(6). But the Registered Office is only a juristic symbol and almost all its decisions of practical and commercial import are made at the Administrative Head Office in Paris. By a decision of the SITA Board of Directors, the Registered Office may be transferred to any other place. Likewise, new administrative offices, branches or agencies of SITA may be established in any country where it is conducting its transmission operations(7).

At the time of origin the life of SITA was fixed for thirty years, commencing from 23rd February 1949 but a "continuing" power is vested in the General Assembly to extend the duration of the Organisation(8). Exercising this power of extension, the General Assembly on 7th May 1974 passed a Resolution to prolong the existence of SITA by thirty years starting from that date and ending on 6th May 2004(9). As mentioned in Chapter 3, this prolongation of the duration was effected almost five years before the actual expiration of the first thirty-year term to ensure organisational continuity which was essential for the planning of SITA operations.

Membership

Any company "operating aircraft for the transport of passengers, mail or cargo"(10) can request admission to SITA. All applications for membership are made in writing to the Director General who submits them to the SITA Board of Directors. The Board has an unfettered discretion whether to accept or reject an application for admission. In the event of rejection of an application, the Board may even choose not to reveal reasons for its decision. Decisions of the Board of Directors in this connection are taken by a two-thirds majority of the members present and voting(11).

All airlines, whose applications for admission are accepted by the Board of Directors, only acquire membership and are entitled to utilise the services of SITA network, after having signed a Service Agreement with SITA, and after having fulfilled every formality laid down by the Board of Directors(12).

The "Service Agreement", of course, ensures the legal rights of SITA, both defining the extent to which the Organisation is responsible to provide the transmission services and its right to recover the charges for the services supplied to the member. The present Service Agreement of SITA is embodied in a document referred to as "Contract TEL1/2", a copy of which is usually sent to the applicant together with a blank application form. In addition, after the approval of the application by the Board, currently (since September 1st 1982) the following remittances are required to be sent to SITA(13):-

(1) A remittance of Guaranteed Deposit of US $5000. This deposit is refundable on the conclusion of membership by resignation or otherwise, after the Member Airline s accounts are settled in full.

(2) A remittance of 200 Belgian francs (approximately US $5) for the purchase of one share of the SITA stock. On receipt of this amount, SITA issues a Share Certificate "Libre de Cooperateur" which formally establishes the membership of the airline.

Once the above formalities are satisfactorily completed, the Company's traffic is immediately accepted for transmission by all sections of the SITA Network. Upon admission every new member is provided by SITA with a copy of "SITA Financial Manual". It contains a comprehensive description of the financial procedures of SITA and sets out the financial obligations of the member. Keeping in mind that SITA is a self-financed non-profit making organisation, the financial obligations which flow from the incident of membership may be detailed under the following headings(14):-

(1) Direct network costs.

(2) Administrative head office and general services costs.

(3) Investment in the future development of SITA.

(1) Direct Network Costs

The participation of each Member Airline in the direct network costs is determined by a "Schedule of Charges" which is revised yearly, based on the approved SITA annual budget; participation in the network costs becomes effective on the date the member starts to use the network. Any expenses which SITA may incur for the specific requirements of a member such as telex costs, private circuit costs, and expenses covering the leasing and maintenance of equipment are invoiced directly to the member concerned(15).

(2) Administrative Head Office
and General Services Costs

To meet these costs the Member Airlines are required to pay to SITA the following amounts:-

(a). An "Availability Fee" which is fixed to be paid by the member each month. On 1st September 1982, this fee was 2750 French francs. This charge is reviewable annually and becomes payable from the first month of membership.

(b) A "Service Fee" which is chargeable on a monthly basis and amounts to twice the Member Airline's monthly participation in the network costs during the preceding quarter, with a "maximum limit" which in September 1982 was 8250 French francs. This fee is levied by SITA commencing from the quarter following that in which the member started using the network transmission facilities.

The availability and service fees represent approximately 50% of the administrative expenses incurred by SITA in the provision of services to a particular member.

(c) In addition, a "variable quota", based on the total participation expenses of a SITA member during the preceding year, is charged to recover the remaining administrative expenses. The billing of the vairable quota begins on 1st January of the year subsequent to the admission of a new member(16).

(3) Investment in The
Future Development of SITA

In addition to obtaining loans from banks and other external sources, SITA has to request from its members the following types of investment advances(17):-

I. A "Yearly Operating Deposit" is required to be paid by each member to enable SITA to meet its current expenses. Being a non-profit making organisation, SITA has a limited liquid capital and, therefore, this operating deposit constitutes the 'working' capital for its operations. This deposit is based on the annual budget of SITA and on the participation of each member in the network costs in the preceding year. A minimum operating deposit is charged in the first year of membership.

In September 1982, the minimum operating deposit was 33000 French francs.

The yearly operating deposit is reimbursed every year in June. A new deposit, covering the next year, is calculated and charged to each member.

II. To enable SITA to invest in major projects which are necessary to meet requirements of the Member Airlines, SITA requests loans through the medium of "Investment Certificates" from its members, usually once a year. The amounts of these Investment Certificates vary according to the use of the network by individual airlines. The minimum amount to be invested in this way (in September 1982) was US $3000 in a particular year. These loans are generally refunded by seven equal annual instalments with variable interest rates. The interest rate, indicated in September 1982, was the London Inter Bank Offered Rate (LIBOR), plus 1% annually. The amount of the Investment Certificates is charged to an airline with effect from the beginning of the second year of its membership.

As explained above, on due compliance with the formalities of membership, a Member Airline participates in the operations of SITA, after having been allocated one capital share by the Board of Directors. Following the first year of membership, at the time of redistribution of shares, the member is allocated a number of shares determined in accordance with the provisions of the Articles of Association, mainly Art.8(E).

In case of a member operating scheduled international or domestic air services, the size of its participation in the capital of SITA will be proportional to its participation in the shared expenses attributable to the SITA services, as shown by the annual accounts. However, any member not operating, or ceasing to operate, scheduled international or domestic air services, shall only be entitled to hold one share. Should the nature of the services undertaken by a member be modified at any time following its admission, the Board of Directors of SITA has full power to decide as to the number of shares such a member should be allowed to hold(18).

By incidence of its membership an airline is under a duty to give up or accept the prescribed number of shares resulting from the yearly redistribution of shares according to the conditions laid down by the Board. Under the ordinary rules of distribution, a member is forbidden to hold more than 20% of the total shares of SITA(19). In certain circumstances (discussed under the "Financing of SITA" below, a member may only be allowed to possess 20% shares jointly with other airlines belonging to the same nationality or the same financial group.

Withdrawal, Suspension
or Expulsion of a Member

Membership of SITA may be lost in the following circumstances:-

(1) In the event of a member ceasing to fulfil "any one of the conditions"(20) laid down in the SITA Articles of Association for its admission to or continuance of membership. A clear example of this circumstance is Article 10, whereby "the Board of Directors may ... decide to exclude" a member which has been in arrears of its financial obligations to SITA and has ignored two successive notices of ninety and sixty days duration.

If a member ceases to fulfil the conditions prescribed for the membership of SITA, "it must within two months place its shares at the disposal of the Society or of those members designated by the Board". It is also precluded from opposing the transfer of shares to any other specific member(21).

(2) Membership may be brought to an end by the voluntary resignation of a member(22). The notice of resignation must be given in writing to the Board of Directors within the first six months of SITA s financial year which starts on 1st January and ends on 31st December. The resignation becomes effective only at the end of the financial year during which the notification was made, unless there is a decision of the General Assembly of SITA to the contrary(23).

(3) Membership may be concluded as a result of the decision of SITA to expel a member on grounds of the "non-observance of the Articles (of Assoc-iation) or rules laid down for their fulfilment and of its (member s) undertakings towards the Society"(24). A member can only be expelled after having been invited to fulfil its obligations, and after

a delay of one month without this having been done(25).

The wording of Art.19 of SITA Articles of Association gives a power of "suspension" of a member in breach of the rules of the Society to the Board of Directors only until the following meeting of the General Assembly. The "expulsion" is decided by the General Assembly by a vote supported at least by two-thirds of the members present or represented. The report must state that the expulsion was proclaimed in conformity with the Articles of Association and it must be inserted in the Register of Members of SITA. A true copy of this decision must be forwarded to the expelled member within two days by registered post(25).

(4) Membership of SITA may also be lost if a Member Airline ceases its activities, becomes bankrupt or seeks a composition with its creditors, or it is put into liquidation or faces an anticipated dissolution, or otherwise is unable to meet its debts(26).

Consequences of Loss of Membership

When an airline loses its membership then its share in the capital of SITA is reckoned according to the balance sheet of SITA's financial year during which that member resigned or during which it was expelled. In doing so, however, no account is taken of the legal reserve funds or any other reserves "on which the member will have no claim"(27). The repayment of the share so reckoned will only take place three months after the approval of the balance sheet(28). In the event of the insolvency of the Member Airline, or other similar circumstances, the claims of the creditors and assignees of the Member Airline will be limited to the amount of the calculated share of that member(29). Furthermore, the former members or their creditors may not cause the Society to go into liquidation, cause the seal to be affixed or call for an inventory of the Society s property(30).

If a Member Airline has effected an undertaking for the benefit of a third party before the end of the financial year of the Society in which it made its resignation known, then it will be held personally liable to such a third party within the limits of its investment and for a period not longer than five years, other than in the case of a shorter limitation period specified by law. In this connection, however, a member will have a claim, where relevant, against the Society for undertakings made by the latter after its departure from the Society(31).

Registration of Particulars of Membership

In conformity with the Belgian Law, under which SITA is incorporated, a "Register" is required to be maintained by SITA(32). Each new member through the medium of its representatives must insert its signature, preceded by the date, opposite its full incorporated name in the register. This signature implies adherence to the Articles of Association and the exercise of the member s rights from the time when this formality is completed(33).

Financing of SITA

The International Society of Aeronautical Telecommunications (SITA) is a co-operative institution. While it is based on a non-profit making concept, it makes sure that it does not have any loss in any particular year. The minimum capital of the Society is fixed at 190,000 Belgian Francs(34). At the time of the foundation, 23rd February 1949, the total capital of the Society amounted to this minimum amount and was divisible into 9500 shares of 250 Belgian francs each, and these shares were distributed amongst the eleven founding members according to their contributions to the capital(35). When the Annual General Assembly of over 240 SITA members was held on 18th May 1982, the total number of capital shares was 1502, out of which 1368 were represented by the delegates of various airlines and the following members possessed 25 or more shares(36):-

(1) Air Afrique - 25

(2) Air France - 46

(3) Air India - 30

(4) Alitalia - 34

(5) British Airways - 56

(6) Iberia - 25

(7) Japan Air Lines - 27

(8) KLM - 61

(9) Kuwait Airways - 29

(10) Lufthansa - 54

(11) Pakistan International Airlines - 36

(12) Saudi Arabian Airlines - 26

(13) Singapore Airlines - 38

(14) Swissair - 37

(15) Union de Transports Aeriens - 34

(16) Varig - 38

In addition, Aeroflot, Alia, Cathay Pacific, Korean Airlines, Malev, Philippine Airlines and Thai Airways held 20 to 23 shares, and all other participants possessed less than 20 shares. The General Assembly formulates the "Conditions of Issue and Prescription of Shares"(37).

All airlines whose applications for membership of SITA have been accepted by the Board of Directors, and which have fulfilled all other formalities, are in the first place alloted one share(38). Indeed, there is a very strong duty (apparently binding both on the organs of SITA and the members) to ensure that no member may possess or be led to possess less than one Share (39). The members of SITA who are not, or cease to be, engaged in the "Scheduled International or Domestic Air Services" are only entitled to the token subscription of one share. The Member Airlines engaged in running scheduled international or domestic air services are entitled to hold the number of shares proportionate to their consumption of SITA services in the preceding financial year. SITA is under an obligation to keep detailed records of the services provided by it to each of its members with the object of determining the proportional participation of each member in the shared expenses (40).

The financial year of SITA, as described before, commences on 1st January and ends on 31st December (41) and at the end of every financial year annual accounts are prepared. Based on this record a particular segment of consumption of SITA services of a particular airline is used by the Board of Directors to determine what number of shares should be allocated to that airline for the following year. The allocation of shares is required to be carried out by the Board of Directors at least one month before the Ordinary Annual Meeting of the General Assembly which is usually held each year in May in Brussels. While a member engaged in non-scheduled international or domestic air services is not entitled to hold more than one share, Should the nature of the services undertaken ... be modified at any time following its admission, the Board of Directors will have full power to decide as to the number of shares such member is entitled to hold' (42). It appears, therefore, that where the nature of the air services of a member is modified in such a way that most of them can no longer be categorised as scheduled , the Board will have full power to reduce the number of shares held by that member accordingly. The usage of work power indicates that it is a discretionary matter for the Board and the member may still be permitted to hold more than one share after the modification, particularly in the middle of the financial year, by the Board.

Like many international institutions (eg Inmarsat, Intelsat, etc) an upper limit of the holding of shares permissible to an individual airline, or to a group of airlines having an indentity of interest, has been prescribed by the Articles of Association of SITA. Restriction of this type, of course, prevents any monopolisation and, therefore, the hegemonic control of an international institution by a handful of its members.

SITA Articles of Association stipulate that members of the same nationality, or members belonging to the same financial group, may not together hold more than 20 per cent of the share capital of the Society . Further, once the 20 per cent shares have been alloted to such members, the internal distribution of such shares amongst themselves is a matter for them to decide(43).

The members of SITA are bound to surrender or accept the shares of the Society in accordance with the conditions laid down by the Board of Directors(44). The shares of each member are represented by a registered certificate(45) in its possession which is signed both by the member and the Director General of SITA.

No transfer of shares can take place in contravention of the principles of distribution hitherto discussed, unless a specific decision in this connection has been made by the Board of Directors. The Board can only authorise such a transfer by a unanimous decision of its members present and voting, and if such a vote is participated in by at least three-quarters of the Directors. The member wishing to effect such an extraordinary transfer must make a written request specifically addressed to the Board of Directors. In the course of authorisation of this type of transfer, the Board of Directors will designate a member (or members) who will be required to accept the shares(46).

The value of the shares recorded in the last annual balance sheet serves as the basis for the settlement of transfers between the members. This value, which cannot be below the mandatory nominal value of 200 Belgian francs each, also establishes the subscription value of shares for the new members(47). If there is any need for calling-up of finance on the shares, the Board of directors has the power to decide on the amount and time in this regard(48).

Each member company of SITA is required to give its consent to the transfer of shares belonging to it when a new distribution renders it necessary. If a member fails to comply with its obligations under the Articles of Association in respect of Transfer of shares, within two months of a summons made by registered post the Board of Directors have every power to carry out the formalities necessary to the tranfer on the Register of the Society without the consent of the defaulting company (49). It must, however, be pointed out that the wide powers of the Board are highly unlikely to be used excessively or oppressively, because it is representative of the Member Airlines and, as a whole, up to 90 per cent of the share holdings are represented through their respective Directors.

To ascertain the exact participation and, therefore, the size of the holding of a particular member s shares, as detailed before, a new Cost

Sharing Scheme was introduced in January 1978. This scheme is adapted to the highly sophisticated package switching network of SITA and is more equitable and sufficiently flexible to be adjusted to future developments in the 1980s(50). To provide working capital to meet the running costs of the Organisation, the SITA members pay periodically certain amounts determined with reference to a schedule of charges which is revised every year. However, the principles governing this schedule remain the same and very few changes, if at all, are made to it on a yearly basis. To cover the expenses of the Administrative Head Office and other general services, every member is required to pay monthly Availability and Service Fees and, what is not covered by these fees, is re-imbursed by the members to the Society by an annual "Variable Quota".

The "Total Network Cost" is usually calculated by converting in US dollars the costs incurred in local currencies at certain centres in different parts of the world on a monthly basis(51). The costs collected from the members by SITA by the above mentioned methods, do not usually correspond exactly at the end of the year with the actual expenditure of the Organisation. Therefore, in the planning of a "Cost Sharing Scheme" and other fees a safety margin is built into them. This generates almost every year a surplus which is recredited to the users; the margin between the "actual expenditure" and the revenue paid by the user airlines in 1980, for example, amounted to 2.2 million US dollars. In accordance with the decision adopted by the SITA Board of Directors, upon recommendation of the Financial Committee, an amount of US $1.68 million was accounted for in-house development costs allocated to the project for the Advanced Network from this surplus, which left behind a net over-recovery of US $530000 for redistribution to the members(52). In 1982 such net over-recovery amounted to US $3.4 million, after taking into account an amount of US $2 million expended on the in-house development for the Advanced Network project(53).

By increased automation and improved productivity, SITA has successfully reduced the cost per service unit. Operating costs over the period 1981-1985 were expected to increase by 5.3% per annum, expressed in constant currency i.e. without taking any account of inflationary forces. However, unit message cost was continuing to decline in constant currency, at the rate of approximately 4% per year over the same period(54).

For the future development of SITA the Member Airlines have been requested to make certain advances by way of "Investment Certificates". The loans involved are repaid by seven annual amortised instalments. SITA pays interest on these loans and the interest rate payable in September 1982 was the variable "LIBOR" (London Inter Bank Offered Rate) plus 1%(55).

The third Five-Year Plan (1981-1984) envisaged for 1981 an investment of US $21 million. A large fraction of this investment - US $9.9 million - was primarily dedicated to the "concentration equipment" both for Type A and Type B traffic handled by SITA. An amount of US $3.1 million was devoted to the improvement of the present High Level Network, while an amount of US $5.5 million was allocated to the implementation of the prospective Advanced Network. An amount of US $7.8 million of the investment was to be raised by bank loans and other methods, while US $3.8 million were envisaged to be raised by global Investment Certificates from the Member Airlines. At the time of the composition of the plan, an investment of US $21.2 million was expected to be needed to effect the development planned for that year alone. For the remaining years covered by the plan (1983-1984), it was anticipated that the yearly investment level would decline to an amount of US $16 million because "the considerable effort made to automate the network will subside" in those years(56).

Development for which new investment is needed is not only motivated by the SITA modernisation plans, but also due to the expansion which is made necessary by new subscribers in the already covered geographical range of SITA trans-mission lines. A major portion of the new subscription comes from the existing membership of SITA wishing to use the newly developed services, as well as from further enlargement of the consumption of the current services which they either did not need previously or had not opted to use. Therefore, in spite of economic problems faced by the airlines, in 1981, SITA experienced a high demand of its services and carried 34.8% more characters over its network (8.9% above the forecast) as compared with 1980, a year which, in turn, had experienced a similar growth. This increased the number of agent sets connected to the SITA Network to more than 8000, as compared with the 6000 sets using the system in the previous year. Obviously, this made pronounced the need for further investment in development of the network, and in 1981 US $48.6 million were invested, 16% more than the previous year(57).

SITA collects its expenses, subscription fees and other charges from users of the network in different currencies and, by virtue of its registration in Belgium, its official records are expressed in Belgian francs. On the other hand, many of its outgoings e.g. bank loans, Investment Certificates and suppliers credits are mostly expressed in the US dollar. This fact sometimes may give rise to an artificial increase in the level of investment required. In 1981, for instance, the US dollar appreciated by 20% against the Belgian franc, thus greatly disturbing the balance of payments(58). There is no doubt that 1982 figures were also affected by a great imbalance in the rates of exchange between the US dollar and the Belgian franc created by the official devaluation in 1982 of the latter.

As mentioned before, the share-holding representing the investment of a particular member is not, as a general rule, transferable to third parties. Accordingly, the liability of members is limited "to the amount of their investments"(59). There is no joint liability whatsoever imposed by the Articles of Association. A member company which is late in making the payments on its shares will owe to the Society the interest on them. However, such interest will only be chargeable if the member in question has failed to comply with a notice of ninety days to pay the outstanding amount, and the notice was sent to it by registered post. Once the notice is ignored by the member in default, the interest will be calculable from the original date on which the payment was due. The interest rate to be charged, as provided by the Articles of Association, will be specified from time to time by the Board of Directors(60).

A Member Airline which chooses to ignore a second notice of sixty days may be excluded from the Society by the Board. In this case, its shares may be offered to those members who are willing to accept them subject to the conditions laid down by the Articles of Association currently enforced. A member so expelled will remain fully responsible to the Society for any claim of the latter either in respect of the amount still owing or, where applicable, any damages which might have been caused by the member in question(61).

If a member ceases to fulfil the conditions of membership, as incorporated in the Articles of Association and laid down by the Society (as mentioned above), it will lose its membership and the attributes which flow therefrom. In this circumstance, "it must within two months place its shares at the disposal of the Society". A direct placement of shares by such a member at the disposal of certain members, specifically designated by the Board of Directors, may also be possible. The transfer of shares to such members cannot be opposed by a departing member(62). The share in the capital of SITA of a member is reckoned according to the balance sheet of the Society's financial year during which that member resigned, or during which it was expelled.

It is the responsibility of the Director General to carry out all decisions of the Board of Directors in respect of, inter alia, budgetary and financial commitments of SITA(63). But all legal actions in prosecution or defence of SITA, in respect of financial matters, are taken by the Board of Directors in the name of the Society. If the enforcement of a claim against a member in respect of a debt or damages is required urgently, legal action may be commenced either by the Chairman of the Board of Directors, or by two Directors of the Board(64).

Supervision of Finance

A register is kept at the Registered Office in Brussels containing a number of particulars about each member. The Society is required to keep a chronological record of the monies invested or withdrawn by each of its members. The maintenance must conform with the relevant legal requirements (which may, of course, change from time to time) and entries of withdrawals in the register must be signed by the member effecting them. The date of admission, registering of expulsion and resignation are also duly recorded(65). This record can be a prima facie dependable source of evidence in determining the liability of a member both to SITA or to third parties.

The most comprehensive and effective supervision of SITA's activities is provided by an "Auditing Body" which is composed of one or more auditors. The auditors are usually chartered accountants who are annually appointed by the General Assembly. They are re-eligible for appointment for the subsequent years and may be dismissed by the General Assembly(66). "The auditors right of supervision of all the activities of the Society is unlimited". They can inspect at their premises all books, correspondence, minutes and "generally all records of the Society"(67).

The Board of Directors is under a duty to ensure that each year an inventory (covering the relevant financial year) is drawn up of all transferable securities and of the assets and liabilities of the Society. This inventory has an appendix attached to it, giving in a shortened form all the undertakings of SITA as well as the debts owed by the Managers, Directors and auditors to the Society. The Board of Directors, at the same time, close the books and draw up the Annual Accounts in which the necessary depreciation will have been taken into account. The books of account are then incorporated by the Board of Directors in the annual accounts prepared by it on the activities of the Society. To facilitate the inspection of the auditors, the Board is required to place all these documents at their disposal, at least one month before the annual meeting of the SITA General Assembly which is usually convened in May every year(68). The Report of the Auditing Body not only can describe and analyse the financial transactions of the Society, but it can also make "proposals"(69) to rectify or reform the financial structure of SITA. The body also verifies that all of the accounts are duly in accordance with the executed relevant provisions "contained in the companies by-laws" and "co-ordinated laws concerning commercial companies".

During the Ordinary General Assembly, not only the report of the Auditing Body, but also the annual accounts, and Report of the Board of Directors are placed before the Assembly. It is provided that these various documents should be at the disposal of the members twenty-four days clear before the meeting of the General Assembly(70). If necessary an e traordinary meeting of the Assembly may be called for review and reform of the financial activities. A meeting of that nature may be convened by the Board of Directors; or by members representing at least one-third of the shares by a request to the Board of Directors; or by the auditors if they feel that the interest of the Society requires such a measure(71).

After the deduction of all amounts due, general expenses and necessary depreciation, if there is a favourable surplus, it is dealt with in accordance with the decisions of the General Assembly. A minimum of 5% per annum of this surplus is required to be allocated to the formation of a reserve fund by the General Assembly. When this reserve fund has reached one-tenth of the capital of the Society, the allocation will cease to be obligatory. The allotment of the surplus by the General Assembly may include the conversion, in whole or in part, to an extraordinary reserve fund, an emergency fund or a fund for amortisation, depending on the circumstances. The end-of-year financial surplus may also be alloted to a "balance carried forward" for the next year(72).

The Ordinary General Assembly, on its review being fully satisfactory, by a simple majority of its members representing at least more than half of the shares, adopts annual accounts of SITA. After approval of the annual accounts, it holds a special vote whereby it gives "release" to the Directors and auditors(73).

After the approval of the General Assembly, the annual accounts are deposited with the Registrar at the Tribunal de Commerce at the Society s Registered Office. The formality of deposition of the annual accounts with the Registrar must be performed within thirty days of their approval(74).

Procedures for Dissolution of SITA

SITA can go into liquidation at any time by a decision of the General Assembly, taken in conformity with Articles of Association - procedural details are discussed later. The specific procedures for an anticipated liquidation stipulate the notification of agenda in a particular manner and there is a requirement that such a decision be taken by three-quarters of the members present or represented(75). Liquidation of SITA may be decided on request of any party concerned when the number of the Member Airlines is reduced to less than seven and when the subscribed capital is less than the minimum fixed by the present (i.e. current) SITA Articles of Association(76). The two conditions (membership below seven and capital below minimum) are not expressly stated to be conjunctive and the wording of Art.51, which deals with this matter, is capable of being interpreted to render these conditions as disjunctive grounds to call for liquidation. However, either of the conditions is extremely unlikely to occur, in view of the facts that hitherto the membership of SITA has been rising and the minimum capital is only a slight fraction of the present assets of

SITA. From original eleven members the membership has reached 246 Airlines(77) and, on the other hand, the net value of SITA investments at the end of 1981 reached a total of 1.8 billion Belgium francs which was 16% more than the previous year s figure(78); the minimum capital to be subscribed under the current Articles of Association is only 190000 Belgian francs(79). As mentioned before, however, the members who have resigned or been expelled, or for any other reason cannot remain members of SITA, have no right, just because they are leaving the Society, to call for its liquidation(80).

The General Assembly of SITA members is responsible for the appointment of liquidators in the event of liquidation caused by any reason whatsoever. The General Assembly is endowed with the widest powers in effecting the liquidation. It has the authority to deal with all matters, including specification of powers of the Liquidators and their emoluments. It can also specify the methods of liquidation to be employed by them(81).

If liquidation of SITA becomes necessary, the order of priorities of payment is required to be in the following sequence(82):-

(1) Payment of debts and charges owed by SITA to its creditors and suppliers.

(2) The reimbursement of sums invested by the members in the SITA assets.

(3) After making payments under the preceding two categories, if there is any surplus left then it will be divided amongst the members existing at the time of liquidation. This division of surplus will be proportionate to the aggregate total of their participation in the depreciation of the SITA assets. This aggregate total will be computed by taking into account the depreciation of SITA assets year by year since its foundation in 1949.

This method of apportionment of any surplus assets appears to be aimed at ensuring equity, and it is intended to reimburse the members according to their respective contributions to the building-up of the current SITA assets. Of course, over the previous years the long-standing members have made more contribution to the evolution of the present infrastructure through the in-built depreciatory element in the payment of their expenses and by providing loans to SITA (mostly on easy terms).

In the event of dissolution of a solvent SITA, however, it must be noted that the members who left the Society before the dissolution, under their contractual relationship with SITA which embodies the Articles of Association as well, will not be able to claim anything from the assets to be apportioned. No doubt, like any other co-operative, SITA is owned by its members. But the requirements of the Member Airlines are such in nature and quantity that an overwhelming number of them cannot cope with them on their own, i.e. by installing their individual aeronautical transmission systems of international dimensions. This has led to the consolidation of SITA in such a way that it has developed into a network which seems to be there for an indefinite period. This feature of irreversibility of the existence of SITA gives it more pre-eminence as an international institution which can only be sustained with the co-operation of over 150 nations on whose territories the switching centres of SITA are located.

CHAPTER 6

CONSTITUTION OF SITA II

The Main Organs of SITA

For the attainment of its objectives, described in the previous Chapter, SITA has the following Organs for supervision, administration and formulation of policies, in respect of all operation, technical and financial matters:-

(1) General Assembly

(2) Board of Directors

(3) Director General as the Chief of Administration.

(1) GENERAL ASSEMBLY

The General Assembly has the widest powers to make or ratify any action which is of interest to the Society and it may amend the Articles of Association of SITA when necessary but without changing the main object of the Society (1). All the members of SITA are members of the General Assembly and have the right to as many votes as they hold shares(2). The decisions of the General Assembly are binding on every member, even on those who were absent from the vote or dissented in voting on a particular issue(3).

The Articles of Association mandatorily require that notification of an intended meeting of the General Assembly will be given twenty-five days in advance by letter, telex, telegram or message, accompanied by the agenda of the meeting of the Assembly(4).

The Assembly is regarded to have been properly constituted (5), whatever the number of shares might have been represented by the participants. It implies that there is no specific requirement of quorum.

Resolutions may be validly passed by the General Assembly by a majority vote of those members who are present or represented, except for any matter for which any provision in the present Articles (of Association) to the contrary is made(6). The General Assembly will not be able to properly deliberate, if it is dealing with the Amendment of the Articles of Association of SITA, unless:-

(i) The subjects of the proposed Amendments have been especially indicated in the Summonses sent to the members.

(ii) The members of the Society, constituting the General Assembly, represent three-quarters of the Subscribed Capital of SITA(7).

In addition to general amendments of the Articles of Association, the above procedures will also be required to be complied with in the following cases:-

(a) When it is discussing the fusion of SITA with any other company(8).

(b) When considering an anticipated dissolution (liquidation) of SITA(9).

(c) When approving the prolongation of the duration of SITA(10).-

If the above procedures are complied with for the General Assembly but the members agreeable to participate do not represent at least three-quarters of the total Subscribed Capital, then an alternative procedure is provided by Article 44 of the SITA Articles of Association. In this situation a new Summons will be needed to be issued and the Assembly will be considered to be validly constituted, regardless of the number of the responding members. This ensures that the General Assembly can discuss the above-mentioned important matters. However, decisions on these matters can only be made if three-quarters of the votes are cast in their support(11).

The General Assembly of SITA members is presided over by the Chairman of the Board of Directors or, if the Chairman is absent, by one of the two Vice-Chairmen of the Board who is acting in the capacity of the Chairman. The presiding Chairman or Vice-Chairman of the Board is assisted by Director or Directors present. In view of the representative nature of the General Assembly, it is submitted that the expression Director here means an elected Director to the Board of Directors, rather than any administrative official of SITA who is designated as a Director in the management system. However, the distinction does not lead to any substantive consequence and, therefore, it will be perfectly in order (rather helpful) if the administrative Directors present in the Assembly choose to assist the presiding Chairman of the Assembly. Two Tellers' are nominated by the General Assembly, at the commencement of the proceedings(12). They also facilitate the conduct of the proceedings of the General Assembly by the Chairman.

An Annual Meeting of the General Assembly of SITA is mandatory and the Assembly usually meets in Brussels in May each year. The Board of

Directors has the responsibility and discretion to decide on the time and place of the Meeting of the Assembly, and it may convene it outside Brussels. An Extraordinary Meeting of the General Assembly may be summoned in the following circumstances:-

(a) By the Board of Directors, each time when the interest of the Society requires it .

(b) By the Board of Directors, mandatorily, when a written request is made for calling an Extraordinary Meeting by members representing at least one-third subscribed shares.

(c) By the Auditors of SITA, whenever they consider that the interest of the Society requires such a measure (13).

Functions of the General Assembly

The important functions and powers exercisable by the General Assembly of SITA on a regular basis, or on occurrence of certain contingencies, are as follows:-

(A) The General Assembly may extend the duration of SITA for another term of thirty years, by a Resolution taken in accordance with Art.44 of the Articles of Association. This power has already been exercised once on 7 May 1974, when the General Assembly passed a Resolution prolonging the duration of SITA until 6 May 2004(14).

(B) Chapter II of the Articles of Association deals with Capital, Investments and Shares of SITA and it leaves the responsibility of formulation of Conditions of Issue and Subscription (15) of Capital Shares to the General Assembly.

(C) An intention of resignation, even though duly tendered to the Board of Directors, may be rendered ineffective if a contrary decision is made by the General Assembly of SITA(16). The effect of such a decision will, of course, be the preservation of the continuity of the membership of the airline concerned.

(D) If a member airline has duly been suspended by the Board of Directors due to its non-observance of the Articles of Association, or rules laid down for their fulfilment, or it is suspended for the breach of its undertakings towards the Society, such suspension can only be converted into an expulsion by a decision of the General Assembly. As mentioned above, during the discussion on voting procedures, the expulsion of a member airline requires a vote of two-thirds majority of the membership present and represented in the Assembly. Further, the Report of Expulsion must state that the expulsion was proclaimed in conformity with the Articles of Association, and the expulsion must be inserted in the Register of Members. The expulsion must also be notified by registered post within two days to the member airline concerned(17).

(E) In accordance with the provisions of Article 27 (discussed below under the heading of Board of Directors), the General Assembly appoints the Directors to the Board, the number of whom will not be less than three and not more than twenty-five. The Assembly is entitled to dismiss any of them at any time . The appointment of Directors is for a year and their term of office ends immediately after the closure of the ordinary Annual General Assembly. Of course, by this time the procedure of appointment of new Directors has been repeated and they are ready to take over from the outgoing Directors. If duly nominated, the Mandate of an existing Director may be renewed for another term by the Assembly(18).

(F) If due to death, resignation or other reason a seat becomes vacant on the Board of Directors, the remaining Directors, on due nominations being effected by the member airlines whose interest was represented by the vacating Director, may fill provisionally this vacancy. A Director so co-opted remains in office for the remainder of the term of office of the vacating Director and his appointment is validated by a ratifying Resolution of the General Assembly in its meeting subsequent to the provisional appointment by the Board of Directors(19).

(G) The General Assembly of SITA appoints one of the members of the Board of Directors as Chairman, and two other members as Vice-Chairmen of the Board(20).

(H) Every year the General Assembly appoints one or more Chartered Accountants as Auditors to supervise the activities of the Society. The Auditors are re-eligible for further appointment and they can be dismissed at any time by the General Assembly(21).

(I) The General Assembly reviews the Annual Accounts and Reports of the Board of Directors and the Auditing Body which are required to be placed before it by Article 46 of the Articles of Association. These different documents are required to be at the disposal of the members twenty-one clear days before the Meeting of the General Assembly(22). The Report of Board of Directors, for instance, includes an inventory up to 31st December of the preceding year, of all transferable securities, assets and liabilities of the Society, accompanied by a concise appendix listing all the undertakings of the Society, as well as debts owed by the Managers, Directors and Auditors to SITA(23).

(J) The Ordinary Annual General Assembly decides on the adoption of Annual Accounts. After the approval of the Annual Accounts, by a special vote it gives a Release to the Directors and Auditors(24).

A special vote in this regard does not imply anything more than a decision taken by a simple majority of an ordinarily constituted Assembly. However, it implies a distinct and separate vote from that which is taken for the approval of the Annual Accounts.

(K) If after all appropriate deductions a favourable surplus is shown by the SITA Annual Balance Sheet, the General Assembly is responsible for its satisfactory disposal. The Assembly may decide to allocate this surplus to an 'Extraordinary Reserve Fund', an 'Emergency Fund', a 'Fund for Amortisation' or a 'Balance Carried Forward'(25).

(L) After complying with the procedures set out in Article 44, the General Assembly may liquidate the Society by a Resolution supported by three-quarters majority of the members present or represented. The liquidation must be decided by the General Assembly at the request of any party concerned, when the number of members is reduced to less than seven and when the subscribed capital of SITA is less than the minimum fixed by the Articles of Association in force at the time when such a request is made(26).

(M) In the event of liquidation, for any reason whatsoever, it is the duty of the General Assembly to appoint the Liquidators and the Assembly will decide on their powers and emoluments, and it will fix the method of liquidation. In the performance of these functions the General Assembly has been given 'the widest powers by the SITA Articles of Association(27).

(N) While the General Assembly is presided over by the Chairman or the Vice-Chairman, acting in the place of Chairman of the Board of Directors, two Tellers are appointed by the General Assembly to assist in the conduct of its proceedings(28). Further, it is submitted, that like any other plenary institution the General Assembly has full competence to make rules of procedure governing the conduct of its own proceedings.

(2) BOARD OF DIRECTORS

As stated above the General Assembly undoubtedly has maximum powers of legal nature connected with the administrative and organisational matters. However, the main decision-making role in the practical management of the Society is entrusted by the Articles of Association to the Board of Directors.

It is the Board of Directors which makes the decisions which materially affect the deployment of personnel and financial resources of the Society. It is a compact body which meets more frequently than the General Assembly and, therefore, has a better opportunity of a thorough review of the issues before ~~deciding on~~ them. The Mandate(29) of the members of the Board makes absolutely clear to them the importance of their functions. As the General Assembly has a very little time to review the extensive range of activities of SITA, the Board has the primary responsibility of full and continuing scrutiny of the actions of the management in its periodic meetings. Hence, it may be asserted at the outset that the Board is the main base of the representative power in the organisation of SITA.

Composition of Board of Directors

The membership of Board of Directors cannot be less than three or more than twenty-five members. The Directors are appointed by the General Assembly every year and they can be dismissed by it at any time. The term of office of the Directors runs from the end of the ordinary Annual

General Assembly, held usually in May, and the appointees remain in office until the next batch of Directors takes over at the same time the following year. At the end of the first term of Office, the Mandate of a Director may be renewed by the General Assembly. The Directors form the College ie, they constitute a unitary body which operates collectively(30).

Out of the maximum number of Twenty-five Directors, permissible under the Articles of Association, up to 18 Directors may be proposed by individual airlines(31). Nomination for this category of Directors can only be made by an individual airline if it possesses at least twenty Capital Shares in SITA, and the nominee is one of its own employees. The remaining Directors who cannot be more than seven, may be nominated collectively by two or more member airlines of SITA. However, the collectively nominated "Common Directors" must be supported by a group of airlines possessing at least fifty Capital Shares, and the nominees are the employees of the airlines supporting their nominations. Hence, the appointees to the Board of Directors belong to two distinct classes which can for sake of convenience, be categorised as "Individual" and "Collective" Directors(32).

The total number of the membership of the Board of Directors may vary from year to year. The General Assembly may decide the membership of the Board to be less than the maximum number of twenty-five, but it cannot be reduced below three(33). The Individual Nominations, which can be made by any airline possessing twenty or more Shares, may exceed in some cases the seats actually available. In such a case the General

Assembly will make the appointments(34) in the following order:-

(1) The persons nominated by the "founder members" of the Society(35).

(2) Whenever the appointments cannot be made under the above criterion, the nominees of the airline possessing the most number of Shares may be considered for appointment.

(3) If two or more airlines possess the same number of shares, nominees of those airlines which have the greatest seniority of membership of SITA will be accepted within the limit of the available seats.

(4) If two or more airline members have an equal number of shares and are also equally senior in membership, then the "actual" amount of their respective participations will be a determining factor. The "Actual Amount of Participations", the words used by the SITA Articles of Assoc-iation, seem to imply the total volume of financial co-operation extended by a particular airline, by way of not only the Subscription of Capital Shares but also by provision of finance by Investment Certificates, etc(36).

Insofar as the Collective Nominations are concerned, the Articles do not provide as detailed rules as in respect of the Individual Nominations. If the collective nominations are more than the actual seats vacant, then the only criterion expressly stated in the Articles is the real level of financial participation in SITA. Priority, within the limit of the seats available, will only be given to those airlines which have the greatest financial participation in the Society(37).

If during the course of the year there is any vacancy of seat/seats, the remaining Directors are entitled to fill the vacant seat/seats. Such appointments will be made by the remaining Directors, depending in which category the departing Director was, on proposal of the individual member or the Collective of members which originally nominated the vacating Director. The Director so co-opted shall complete the unexpired Mandate of the Director whose place he stepped into. However, such a "provisional" appointment by the Board of Directors in the middle of the office term will remain subject to the ratification of the General Assembly by a Resolution in the subsequent meeting(38).

Within a week of their appointment, the Directors are under a legal obligation to place with the Registrar of Companies (in Brussels) an Extract of the Memorandum laying down their powers and bearing their signature. With regard to the undertakings of the Society, the Directors do not undertake any personal liability. Their personal liability is limited to the extent they have made themselves responsible by the terms of their individual Mandates. Even though most of the decisions are made by the Board of Directors collectively, there is no joint liability and one Director is not liable for the actions of another Director of SITA(39).

At the time of the appointment of Directors, the General Assembly also appoints a Chairman of the prospective Board of Directors(40). Two

Vice-Chairmen shall be appointed, so that one of them can replace the Chairman, if the latter is unable to attend a Meeting of Board of Directors(41). The Vice-Chairman will perform a useful role in sharing the work with the Chairman and in assisting him in certain matters with their respective skills. If a Vice-Chairman is to replace the Chairman, then the latter is required to make a nomination of the particular Vice-Chairman to that effect. It must be remembered that the General Assembly can only appoint the members of the Board of Directors as a Chairman or Vice-Chairmen(42).

The functions of the Chairman and the Vice-Chairmen include the following:-

(a) "Each time the needs of the Society require it", on request of a Director, the Chairman or the Acting Chairman is under an obligation to call a Meeting of the Board of Directors, which may be additional to the usual pattern of Meetings of the Board.

(b) The Chairman, or the Acting Chairman, is under a duty to send the Summons to each director by a letter, telex, telegram or message, at least fifteen days in advance, inviting the Director concerned to participate in the Meeting of Board of Directors(43).

(c) The Chairman has power to issue the copies of, or extracts from, the Minutes of Board of Directors to their parties(44), or of the General Assembly(45).

(d) The Meetings of Annual or Extraordinary General Assembly are chaired by the Chairman, or the Acting Chairman, of the Board of Directors(46).

(e) If urgency of the situation so requires, legal proceedings on behalf of SITA, in respect of almost all matters(47), may be commenced by the Chairman, instead of the Board of Directors as a whole.

While a meeting of Board of Directors may be convened by the Chairman on request of a Director at any time, the Board is required to meet at least four times in a year(48). When dealing with the routine business, the General Assembly has no quorum specified for its proceedings. However, the Board of Directors can only properly deliberate and make decisions if at least half of its members in office are present or represented. Resolutions containing the decisions of the Board can be carried by the majority of the Directors present, except for any provision in the currently enforced Articles of Association of SITA to the contrary. As no mention of "weighted voting" based, for example, on the number of Shares possessed is made in the Articles of Association, the Directors are presumed to have one vote each. In the event of an equal division of votes, the Chairman, or the Acting Chairman, will cast the deciding vote on the issue(49). Special voting procedures in the Board of Directors will be applicable in regard to the following matters:-

(a) Two-thirds majority of the members present and voting will be required in respect of the decisions on the membership of SITA(50).

(b) Any transfer of Shares from one member to another member of SITA, other than on the criterion of proportional consumption of SITA services, can only be authorised by the Board if at least three-quarters of the members are present and a unanimous decision is taken, to that effect(51).

If on account of illness, or due to any other reason, a Director is not able to attend a Meeting of the Board of Directors, he can delegate his powers to another Director(52). In this case, the delegating Director must notify the Chairman of the Board of the particulars of his delegation, before the meeting from which he will be absent. The delegation of powers will be received by another Director only on behalf of one absent Director. This restriction prevents the concentration of power in the hands of a single Director through the medium of delegation of powers by more than one absent Director. To ensure maximum attendance in person, it is provided that a Director cannot delegate his powers for more than two consecutive meetings of the Board. A proper delegation of powers implies a juridical presence of the absent Director and the Director to whom the delegation is made can vote on behalf of the absent Director, as well as casting his own vote. The absent Director is also entitled, if he so desires, to appoint an "Observer" to attend the meeting of the Board(53). The Observer seems to have no voting power; probably, because he has not even a tenuous link with the original nomination of Directors by the General Assembly. Of course, another Director to whom delegation of voting power is permissable is, at least, appointed by the General Assembly. Hence, the exercise of voting power by him, rather than by an Observer, is not repugnant to the representative nature of the Board.

The Articles of Association of SITA do not impose any express restriction on the Board to authorise the attendance of its meetings by officials and representatives of SITA administration or external organisations. Indeed, in addition to a validly appointed Observer by an absent Director, the Director General of SITA is entitled ex officio to attend the meetings of the Board. But if the Board of Directors is scrutinising a case involving the Director General personally, then he may be required to leave the meeting of the Board in question(54).

The discussions of the meetings of the Board are recorded in the minutes which are embodied in a "Special Register" maintained by SITA. At the end of every meeting, the Board approves the contents of the minutes and they are signed by the Chairman (or the Vice-Chairman replacing him) of the Board of Directors. It is required that "any delegation of powers will be inserted"(55) in the minutes. As explained below, the Board can delegate its powers either to a smaller group of Directors, or to other officials of SITA management, and the reference to the specific insertion of "any delegation of powers" in the Minutes appears to pertain mainly to such delegated matters.

The Chairman of the Board of Directors, or the Director General of SITA, has the responsibility of sending a copy of minutes to each Director, within ninety days of the Meeting of the Board. In addition to the Chairman of the Board of Directors, copies of, and extracts from the minutes of the Board may be signed by the Director General of SITA for their release to third parties(56). There is no express provision in the Articles of Association making the minutes of the Board of Directors "confidential", but they are rarely released to third parties(57). Even though the Articles of Association require the recordation of discussions, according to the information provided by the SITA officials to the Author, the minutes of the Board of Directors mainly register the conclusions and a concise account of the debates preceding them.

Functions of Board of Directors

Direct or indirect administrative and supervisory responsibilities, functions and powers of the Board of Directors of SITA are as follows:-

(a) Currently, the Registered Office of SITA is situated in Brussels, Belgium. The Board of Directors has the power to move it to any city of any other country. This power, which can be exercised by the Board by a decision made by an ordinary majority, is probably motivated by commercial necessities which may arise from time to time, due to operational, technical, taxational or other economic factors.

(b) The Board can decide to establish any administrative offices, branches or agencies of SITA in any country, where the Society "operates"(58). In making such decisions, the Board has to have regard to the commercial and operational feasibility of a proposed branch or administrative office. In some cases the establishment may have to be incorporated as a company in the state where it is to be opened, and the Board will have to take into account the regulatory provisions of that country which may have a direct or indirect bearing on its operations as a part of the SITA Network.

(c) Applications for membership of SITA are received by the Director General of SITA, but their final approval or disapproval is conclusively in the hands of the Board. In rejecting an application for membership, the Board is not under any obligation to give reasons to the applicant airline for its decision(59).

As explained in the preceding Chapter, decisions on membership applications are required to be made by a majority of at least two-thirds of the members of the Board present and voting in the meeting(60). In addition to requiring a new member to enter into a Service Agreement with SITA, the Board can impose certain conditions to be fulfilled by an applicant airline within a prescribed time, before it can have access to the transmission network of SITA(61).

(d) The Board of Directors is responsible for the redistribution of capital shares amongst the SITA members each year. As detailed in the preceding Chapter, this redistribution is made at least one month before the Meeting of the ordinary Annual General Assembly to all members, including those who have completed the first year of their membership, based on their respective consumption of SITA services in the preceding financial year. In doing so, the Board makes sure that the SITA members belonging to the same nationality, or to the same "financial group"(62), do not collectively control more than 20 per cent of the capital of SITA(63).

(e) According to the Articles of Association, only those airlines are entitled to hold more than one capital share which operate international or domestic scheduled air services. If there is any modification in the nature of services provided by an airline during the course of the year, the Board of Directors has full power to determine what number of shares should be allowed to be held by that particular airline(64).

(f) The Board of Directors lays down the conditions applicable to subscription, retention and transfer of shares. It ensures that every member airline (whether it runs scheduled air services or not) holds at least one capital share throughout its membership(65).

(g) The Board of Directors decides as to the amount to be 'called' on the capital shares of SITA, where it is necessary, and it has the power to fix the date for that purpose(66).

(h) No transfer of shares can take place from one member to another without the authorisation of the Board of Directors. Ordinarily, the shares will be allocated, and transfers accordingly transacted, based on the criterion of consumption of SITA services. However, any transfer of shares which is not based on this criterion can only be effected by a unanimous decision of the board, in a meeting in which at least three-quarters of the members of the Board of Directors were present or represented(67). This entrenched procedure is provided to preserve the essential "co-operative" basis of SITA i.e. no member should dominate control by holding more shares than the consumption of services by it.

(i) The member airlines are given two months by written Summonses sent by registered post to execute both ordinary and exceptional transfer of shares. If they fail to comply with these Summonses, the Board of Directors has the power to effect those transfers on the Register of the Society, without the consent of defaulting member(68).

(j) After having received a written notice of ninety days by registered post, if a member airline fails to pay the amounts of its shares, interest becomes payable on such amounts, from the day on which the amounts were due. The Board of Directors has the power to fix the rate of interest to be charged. Further, after another "notice of ninety days has remained unanswered", the Board may exclude that member from SITA and offer its shares to another member which is willing to take them up(69).

(k) If a member airline fails to fulfil conditions of its membership, the Board of Directors can require it to transfer the shares to the continuing members as designated by the Board(70), as an alternative to the shares in question being transferred to SITA itself.

(l) Resignation of a member is received and provisionally accepted by the Board of Directors, until the next Annual Meeting of the General

Assembly(71). This provisional acceptance is made absolutely effective unless contrary is decided (72) A contrary decision by the General Assembly will be unlikely and will, probably, be taken on appeal of the resigning member airline which may be so motivated due to a fundamental change in its circumstances. It may be reiterated that, whenever tendered, a resignation will only become effective from the end of the Financial Year, in order to facilitate SITA accounting in which consumption of services is a significant factor(73).

(m) The Board of Directors has a general power to suspend an airline from participation in the SITA Transmission Network, if it has failed to comply with the Articles of Association, or rules laid down for their fulfilment, or it has failed to honour its undertakings towards the Society. The Board will only suspend a member airline, after having invited the airline to fulfil the duties under the rules and regulations in question within one month. The suspension will remain effective until the next Annual General Assembly(74) which takes the final decision whether or not the member should be excluded permanently.

(n) The Board of Directors has the responsibility to deposit with the Registrar of Companies a list of SITA members after every six months. This list must give in alphabetical order the first and second names, the profession and domicile of all members, certified to be correct by the companies concerned. The signatories will be liable for any falsity in the statements certified by them(75).

(o) The Board of Directors appoints the Director General of SITA. In addition, the Board of Directors approves a 'Staff Schedule', in accordance with which the personnel of SITA are appointed to assist the Director General in execution of his duties, which flow from the decisions of the Board of Directors(76).

(p) The Board of Directors decides the time and place for the Annual General Meeting of the General Assembly(77). In certain circumstances, detailed above in this Chapter when dealing with 'General Assembly', the Board has a power of convening an Extraordinary Meeting of the General Assembly to deal with any emergency.

(q) A Report of the Board of Directors covering the activities of SITA for the previous Financial Year is prepared and is presented to the General Assembly. In addition to the achievements of the preceding year, it comments on the efficiency, economy and operational performance of SITA activities in all aspects. If necessary, it highlights the deficiencies in the Transmission Network of SITA and recommends reforms for their elimination. It details the projects executed under the supervision of the Board, and outlines the plans approved by the Board for the forthcoming years(78). The Report of the Board is presented by the Chairman to the General Assembly. It is a brief document spread over only two or three pages and is printed, along with other items, in the Annual Report of SITA each year(79). The Annual Report of the Board is usually published in March of the year subsequent to the year to which it pertains. Therefore, it may take into account any major development, which might have occurred before the actual publication of the Report, even though it was after 31 December of the year concerned.

(r) At the end of the Financial Year on 31 December each year the Board of Directors prepares a comprehensive inventory of movable and immovable assets of SITA, its financial liabilities to other parties and the debts owed to it by third parties. Annual Accounts are also prepared by the Board, showing in detail the outgoings and receipts of the Society by the Board. These various documents of accounts, along with the Report of the Board on the activities of SITA, are required to be handed over by the Board of Directors to the Auditing Body of the Society, at least one month before the Annual General Assembly(80).

(s) The Report of the Board of Directors and the Annual Accounts, along with other documents, are also required to be placed every year for approval before the General Assembly. It is the responsibility of the Board to ensure that all these papers are at the disposal of the member airlines, at least 21 days clear of the Annual Meeting of the General Assembly(81).

(t) The extensive powers of the Board of Directors, in addition to the specific powers heretofore listed, are consolidated by Article 31 of the SITA Articles of Association, which reads:-

"The Board of Directors has the widest powers for the administration and management of the affairs of the Society. It may, in particular, raise loans, if necessary to meet the requirements of the Society, make and pass all contracts, sales and ventures, acquire and transfer, lease to or from, all property movable and fixed, necessary for the realisation of the object of the Society, effect or receive all payments, request or supply receipts in respect of these, define the various categories of the Society, appoint and reject all Managers, Supervisors, Agents and Employees, lay down their duties, remuneration, their security where applicable; litigate in any court of law, in prosecution or defence, obtain all decisions, sentences, judgments or awards and enforce, negotiate or comply with them, waive them, come to terms or compromise on all interests of the Society."

Article continues:-

"The foregoing enumeration is purely expressive and not limiting."

"All legal actions, in prosecution or in defence, will be taken in the name of the Society by the Board of Directors or, if the urgency of the action so requires, by the Chairman of the Board, or two Directors ..."

The review of the SITA Annual Reports reveals that the main users of the Transmission Network, usually possessing more than twenty Shares and entitled to nominate Directors, rarely change on a yearly basis. Within the limits of the seats available on the Board of Directors, their nominees remain on the Board for years; which must help them to acquire a great deal of expertise in the operational, technical and economic matters of the Society. Of course, the collective nominations, which are delimited to seven, vary more often from year to year. However, the groups of airlines (commonly possessing fifty or more shares) remain more or less constant. In recognition of the holding of a substantial number of shares but still below twenty), and the outstanding personality of the nominee, a particular group may renominate him for another term. Otherwise, rotation of nomination in a group seems to be quite natural.

A comparative examination of the Boards of Directors for the years of 1981 and 1982 discloses that out of the twenty-five members of each of the Boards twenty-one were nominated by the same airlines, three of which had nominated different persons from those nominated by them in 1981. Correspondingly three airlines which had their nominees appointed by the General Assembly to the 1981 Board were replaced by three new airlines on the 1982 Board. These comparative facts may be tabulated as follows:-

(a) *Airlines which had their nominees appointed to 1981 and 1982 Boards*

1. British Airways
2. Alia Royal Jordanian Airlines
3. Air India
4. Malev Hungarian Airlines
5. KLM Royal Dutch Airlines
6. Middle East Airlines
7. Iberia

8. Scandinavian Airlines System
9. Kuwait Airways
10. Air Afrique
11. Swissair
12. Saudi Arabian Airlines
13. Air Lingus Teoranta
14. Deutsche Lufthansa
15. Al-Italia
16. Union Transports Aeriens
17. Air France
18. Japan Airlines
19. Pakistan International Airlines
20. Varig
21. Singapore Airlines

(b) *Airlines which were able to nominate to the 1981 Board but failed to do so in 1982*

1. Aeroflot
2. Ethiopian Airlines
3. Flying Tiger Line

(c) *Airlines which did not nominate to 1981 Board but were able to nominate to the 1982 Board*

1. Nigeria Airways

2. Cathay Pacific Airways

3. Ceskoslovenske Aerolinie

Keeping in mind the annual nomination of Directors to the Board, one may be justified to think that it is a body composed of transient personalities appointed only for one year, and ready to make way for a new batch of nominees the next year. But this is not correct. The appointees to the Board of Directors appear to be nominated for two or three years consecutively; in some cases even for more than five years. Another trend is to nominate a person for one or two years and, after the nomination of some other person for a year or two, return him again to the Board(82). The natural consequence of this is the acquaintance of many personalities with the institution of SITA.

(3) Director General as Chief of the Administration

The Board of Directors of SITA appoints a Director General who is responsible for the implementation of the decisions of the Board. He is also responsible for the conduct of day-to-day business of SITA 'within the limits of the budgets and financial commitments approved by the Board of Directors'(83). He is assisted in conducting such business by personnel 'appointed in accordance with the Staff Schedule approved by the Board of Directors'(84).

The importance of the office of the Director General of SITA has been growing constantly, due to the operational expansion of the Transmission Network. While automation of the Network, and modern management techniques, have been contributing towards the reduction of the personnel required, the extraordinary growth in the demands for SITA services by expanding airlines have been such that the Society still has to employ a few more people every year. At the beginning of 1982, the number of SITA personnel was 1,830 all over the world, with 305 persons working at the Head Office in Paris(83). The highly technical nature of the services provided by SITA necessitates professional training being given to the operational staff at the various offices of the Society, both at the Head Office and the regional levels(84).

The Director General is assisted by various Specialised Committees, composed of airline experts in their respective fields. In addition to the pre-existing Technical, Financial and Services Development Committees, in 1980 the Data Processing Users Committee was created by SITA. This Committee further consolidated the 'active participation' of user airlines in their commonly run operations of SITA. The Airlines using the Gabriel Seats Reservations System (a subsidiary of SITA) have their own 'User Group' which meets with the management of SITA twice a year(85). These Specialised Committees may expedite the implementation of the decisions of the Board of Directors by the Director General, by narrowing down the terms of reference of a particular project, and by entrusting it to a sub-group for detailed consideration and submission of recommendations for the resolution of the problem. For instance, pursuant to its mandate, emanating from the Board of Directors, the SITA Services Development Committee (SDC) decided in early 1980 to form an ad hoc working group to investigate the necessity and feasibility of a selected aeronautical data base to provide a uniform data information system which could be resorted to by every SITA member airline; thus, eliminating duplicity of effort by maintenance of different systems by individual airlines. This working group, in turn, recommended the establishment of an AERODAT Functional Task Force to deal with the work in more specificity. This body was constituted and started its work on 16th September 1981, with the active participation of Lufthansa, Swissair, Air France and Iberia to formulate the AERODAT Functional Specifications. The management of SITA was, on the other hand, providing these specialised groups and committees with its technological expertise. Once the functional and administrative efforts of the AERODAT Project were finalised, the refined configuration of it was presented by the management for consideration to the Board of Directors which, during its meeting in June 1982, gave its approval(86). In many cases, however, tasks are entrusted to the Director General in a finite manner and no subsequent stage by stage approval of the Board will be needed for their execution.

The central administration of SITA is conducted by the Director General in Paris. The Head Office in Paris, having over 300 personnel, is organised in various Departments, headed by different officials directly accountable to the Director General(87). The complexity and global range of SITA(88) make it impossible to conduct it as a centralised organisation. A network of regional offices has been established and substantial authority is vested in them(89).

Looking through the planning instruments of SITA, it is noticeable that there is a trend towards the devolution of powers from the Head Office to the regions(90), to cope with the expanding activities of the organisation. The information provided by the SITA officials, in response to the author's questions, confirms that many of the functions of Director General are delegated by him to the Regional Managers. These include the delegation of the operation of SITA Bank Accounts in the region, conclusion of contracts of a technical or operational character, renting of Circuits and Terminals for the Network, Recovery and issuance of receipts on behalf of SITA, recruiting and dismissing of local staff, transport of equipment under the control of the region to another region, and other general powers incidental to the smooth running of the region. Usually, a regional manager is not authorised to contract on behalf of SITA involving a sum greater than the upper limit of his authority eg $100,000. He may also be forbidden from disposing of the assets of SITA beyond a certain value, eg $10,000. The powers of every regional manager are specified in an instrument addressed to him. This will also detail the matters on which he needs specific authorisation of the Director General or anybody else so authorised by the Board of Directors eg the Secretary General of SITA. However, all Regional Managers remain bound by the instructions issued by the Head Office and their actions remain subject to the review of the Director General and the Board of Directors. The Director General may be given the responsibility of organising a conference dealing with the review of present, and development of future, technical and operational services in the field of telecommunications. SITELCOM-82 is an outstanding example of such a conference.

SITA has developed a tradition of holding Regional Review Conferences, as distinct from especially organised Technical Conferences, in different parts of the world at different times of the year to discuss and to try to solve the problems of operational and administrative nature which might be peculiar to airlines operating in a particular region. The Board of Directors, from time to time, urge the Director General to organise such meetings in the future(92).

The international transmission circuits of the SITA Network are leased by SITA from the relevant PTT (Post, Telegraph and Telephone) authorities of different countries. The negotiations for such leasing arrangements are conducted by, or on behalf of, the Director General. In some cases, these negotiations may be extensive and require considerable patience and negotiating skills. In spite of many attempts, during almost twenty years, it was only in March 1976 that SITA could obtain the authorisation from the Japanese International Telecommunications Administration - KDD - to install and operate switching facilities on behalf of its member airlines in Tokyo(93). Many problems were experienced in obtaining the Agreement of the Brazilian Government to open a SITA Centre in Rio de Janeiro, which was eventually cut-over in August 1981 and was linked to the Madrid High Level System Centre. At the beginning of 1982, negotiations were still in progress for recognition of SITA by the Government of Costa Rica(94).

At the end of each year, the Director General of SITA compiles a Report, covering the activities of the Society's different Departments in operational, technical, personnel, planning, financial, information handling, supplementary services and other aspects. Until 1979 he only presented an Activity Report detailing these facets comprehensively, but since 1980 this yearly reporting has been split into two separate documents. Now he presents a Report which is two or three pages long and has a similar character to that of the Annual Report of the Board of Directors(95). The second document is now entitled as Activity Review, which deals with almost all aspects of the activities in greater detail, and records all important events of the year in the functioning of SITA.

As explained before in this Chapter, the Board of Directors has extensive powers to decide upon technical, operational and other matters of SITA. The Board has the power to delegate its powers, in whole or part, to 'third parties'(96) and it may, in many circumstances, consider the Director General to be the most suitable person to exercise one of its powers. In addition to many important functions which may find their way to the Director General through the decisions or delegation of the Board of Directors, the following functions are also performed by him on a regular basis:-

(I) He is responsible for receiving applications for membership of SITA, and presenting them for final approval to the Board of Directors.

(2) The Registered Certificate, representing the appropriate shares alloted to a particular member airline, is only authentic if it bears the signature of the Director General(97).

(3) Copies of, and extracts from, the Minutes of the Board of Directors may be issued, in addition to the Chairman of the Board, by the Director General to the third parties(98).

(4) Further, along with the Chairman of the Board of Directors, the Director General is responsible for sending a copy of the Minutes of the Board of Directors to each member of the Board, within ninety days of a particular meeting(99).

(5) Copies of, or extracts from, the minutes of the General Assembly of SITA may validly be released, in addition to the Chairman of the Board of Directors, by the Director General to third parties(100).

The Director General is entitled ex officio to attend any meeting of the Board of Directors. However, as explained above in this Chapter, he may be asked not to be present at a meeting in which his own personal case is being discussed by the Board(101). The Board has the power to appoint, supervise and dismiss the Director General. Due to its broad and more immediate supervisory character, as well as due to its cohesive structure, the Board exercises more effective control on the Director General than the General Assembly.

Despite the above comparison between the juristic statures of the

Director General and the Board, in real life the Director General remains the strongest person in the organisation of SITA. While the elected Directors move in and out of the Board every year, and while it is not sure who is going to be the Chairman of the Board during the next year, the position of the Director General is a permanent one. He is a full-time employee, with a security of tenure, and enjoys a great deal of prestige. Once he is in this important office, he may occupy it until his retirement. Mr. J.G. Moniot, the predecessor of the current Director General, served SITA from its inception in 1949 for almost twenty-eight years, retiring on 1 October 1976(102).

PART II

Comparative Discussion on International Institutions

Prelude to Part II

The first section (Chapter 7) of this Part elaborates the generalities of International Inter-Governmental Institutions, with a view to prepare a general ground from which the discussion on the international legal status can be evolved. The author, following the course of many publicists (like Profs. Starke, Bowett and Schwarzenberger), has used the expression 'institution' rather than 'organisation'. The expression 'institution' implies the existence of institutional structure and, thus, offers a better comprehension of the bodies involved. However, the phrase 'international organisation' is occasionally used, mainly where it is contained in a quotation.

Only the inter-governmental institutions are capable of having an international legal status, even though such stus is restricted to their respective functions and purposes. This important statement of current International Law has been kept in mind throughout the discussion. A brief but comprehensive background of international institutions is given in Chapter 7. The remainder of this Part deals with the International Maritime Satellite Organisation (INMARSAT) and the European Organisation for the Safety of Air Navigation (EUROCONTROL) - the two institutions used as examples. Both of the institutions have been established by sovereign States, while SITA has not. But both of them run telecommunication facilities, operate across borders and in the international territory, and serve private persons on a non-profit basis. They have these facets in common with SITA.

Moreover, while INMARSAT, in May 1983 was being run by thirty-nine States, EUROCONTROL was participated in by eleven European States, both as full and Associate Members. This has provided another variation for the comparative survey i.e. INMARSAT representing an International Inter-Governmental Institution and the EUROCONTROL a Regional one.

The pure operational details, even though interesting as general knowledge, admittedly have no legal complexity to inspire jurisprudential thought, but their elaboration was essential to weigh up the objective functional worth of the two institutions, vis-a-vis the contribution of SITA, to the international life. However, in addition to setting out the operational details, no effort has been spared in providing a comprehensive account of the legal frameworks of these two institutions, particularly of the structural similarities to SITA.

Continuing the approach adopted in Part I, the mode of presentation is inspired by a desire to enable the reader to make an independent comparative assessment of INMARSAT and EUROCONTROL, and verify their common features with SITA as summed up in Chapter 9.

Chapter 7

INTERNATIONAL INSTITUTIONS AND LEGAL PERSONALITY

The writers on International Institutions - Swarzenberger, Bowett and many others - have generally refrained from giving a standard definition of an International Institution. However, by collating various components in their definitional passages, An International Institution may be defined as an organised body which possesses the following minimum characteristics:-

(a) It has a membership extending to 3 or more states.

(b) The performance of its functions, as enumerated in its Constituent Document, is for the benefit of, or in the territories of more than one state.

(c) It has an institutional structure which is not transient in nature and which, if viewed from a distance, portrays a collective entity distinct from the entities of its individual members.

When a transborder body, possessing the above functional ingredients, is created by a treaty amongst states, its "international" character is readily identifiable and what remains to be surveyed in that particular situation is whether the body in question has a "non-temporary" institutional structure to place it within the categorisation of International Institutions. Even though the functions of an International Institution are effected in, or for the benefit of many countries and, therefore, its "international" role is unquestionable, when it is organised by the private sectors of various nations, or by the private sectors of some nations with the governments of other nations, the verification of its "institutional structure" is not easy.

Based on the method of creation and the nature of membership, International Institutions are divisible into two broad strands:-

(1) Intergorvernmental Institutions which are formulated by sovereign states. They are also known as International Governmental Organisations - IGO s. There were 300 IGO s in 1979 and they were expected to be double in number in the following decade(1).

(2) Non-Governmental Institutions which mainly include transnational bodies which are not constituted or participated in by sovereign states. However, many hybrid institutions, which may have a considerable quasi-governmental element in them, are also treated generally in this category. These bodies are known as International Non-Governmental Organisations - INGO's. In 1979, there were 2800 definitely recognisable INGO s in the world(2).

Most jurists, even though with varying gradations of emphasis, regard only IGO s to be the entities worth discussing in the framework of International Law. Ian Brownlie, e.g., confines the discussion on International Institutions exclusively to "the legal problems arising from the function of organisations of states"(3). In the light of the explosive growth in the number of IGO s and INGO's, this attitude is not unnatural. These institutions, due to their divergent, disparate and dynamic facets, touch upon almost every activity of international life. To expect a comprehensive elaboration of all institutional legal problems from an author of a general book on International Law will be asking for too much. Indeed, no author has yet endeavoured to deal fully with all of the clearly identifiable IGO s. Many experts of International Institutional Law have been forced to delimit their works either to a few IGO s or to model their presentations on the U.N. structure(4). Since any argument for the grant of additional rights to INGO s, or a particular class of INGO s, has its natural roots in the principles governing the IGO s, discussion in this chapter will be focussed on the International Governmental Institutions.

FUNCTIONAL CLASSIFICATION

The vast expanse of activities of International Institutions may be subdivided into a variety of categories, differentiated by membership, structure and scope, and by the salience and essentiality of institutional functions to their respective members. Any classification based on function, however, overlaps in many cases and no rigid and finite categorisation is possible. Before defining the salient categories of International Institutions, for methodological convenience of discussion, it may be indicated that all institutions can be divided into two broad categories:-

(a) FORUM INSTITUTIONS: These are the International Institutions the predominant feature of which is to provide the representatives of its members with the fora of discussion on the matters covered by their Constituent Documents. The General Agreement on Tariffs and Trade (GATT) and the U.N. Conference on Trade and Development (UNCTAD), e.g., spent more than 90% of their resources on "forum" activities in 1967 and, therefore, may be placed in this category(5).

(b) SERVICE INSTITUTIONS: These institutions provide their members with certain tangible services which may either be specified by the original Constitutions or included in their lawful functions in the light of subsequent experience and developments. The International Monetary Fund (IMF) and the World Health Organisation (WHO), e.g., allocated 90% of their funds in 1967 to the provision of certain services to their members and, therefore, may be placed in this category(6).

It must be remembered that many International Institutions - International Civil Aviation Organisation (ICAO) Or INTERNATIONAL LABOUR ORGANISATION (ILO) - which apparently look more involved in forum activities, may be performing substantial service functions through the provision of technical experts and by operating the U.N. Development

Programme (UNDP) Technical Assistance Schemes. In 1967, for instance, the International Telecommunication Union (ITU) and the International Atomic Energy Agency (IAEA) expended almost half of their resources on forum and the other half on service functions(7). Thus many institutions cannot easily be compartmentalised in one of the two categories.

Based on the substantive criterion of their activities, International Institutions may be classified in the following categories:-

1. Political Institutions
2. Regulatory Institutions
3. Adjudicatory Institutions
4. Operational Institutions

1. POLITICAL INSTITUTIONS

These are the institutions that provide fora for political statements, without necessarily formulating binding legal rules. However, such institutions have a discretionary capacity to use their meetings for passing legally binding Resolutions, or for initiating a treaty through the expression of the requisite intent of its participant state representatives in a particular vote.

The Permanent Court of International Justice in its deliberations in 1925 in the MOSUL CASE(8) regarded the League Council as a "diplomatic and political body". The International Court of Justice (ICJ) categorised the U.N. General Assembly and Security Council as "political organs" and said that the freedom of choice to discuss any matter was the essence of such institutions(9).

The discretionary freedom of Political Institutions is not unfettered. Every decision by them has to be within the confines of the powers conferred upon them by their Constitutions. Therefore, "political" importance of a General Assembly Resolution cannot give it a "legally binding character" which it lacks due to express restrictions contained in the U.N. Charter. That is why the ICJ pronounced that "the persuasive force of the Assembly Resolutions can indeed be very considerable, but this is a different thing. It operates on the political, not the legal level. It does not make these Resolutions binding in law"(10).

Many states inaugurate the support of a particular approach to a particular international problem in these institutions. Research into 11665 foreign policy events of 35 nations over the decade of 1959-1968 has revealed that 66.1% of these events were initiated in these institutions(11). As a general rule, the Political Institutions provide a medium through which states can express their political approval or disapproval of the current bilateral or multilateral issues. It is in these institutions where the seeds of the future norms of International Law are first sown. Once sufficient political concern is expressed about a particular issue by a sufficient number of states, possessing sufficient political leverage, the issue may become the subject matter of an international treaty.

2. ADJUDICATORY INSTITUTIONS

Adjudicatory Tribunals have been created from time to time in the past for the pacific settlement of disputes between states. The requirement of "neutrality" of the appointees to an adjudicatory panel makes a judicial or arbitrary tribunal distinguishable from the procedures of conciliation, mediation, good offices and negotiations.

The Permanent Court of International Justice, elaborating the difference between political and judicial functions, said that the exercise of a power, compelling a person to follow the instructions of his government regardless of his personal views, will be "political"(12). Conversely, in most cases an Arbitral Compromis requires the members of an Arbitral Tribunal to take an oath or sign a declaration of impartiality, specifically undertaking independence from and disregard of any instructions issued by any government.

A proposal for the establishment of a truly permanent judicial body "Court of Arbitral Justice" failed in 1907 because each state was keen to ensure its own judge to be appointed to it(13). However, in 1907 five Central American states - Costa Rica, Guatemala, Honduras, Nicaragua and El Salvador - were able to establish the Central American Court of Justice, with each state having its own judge in the Court. This first international judicial body of a permanent character existed until 1918 and adjudicated upon only ten cases(14).

After the relatively successful era of the Permanent Court of Justice from 1920 to 1939, the International Court of Justice was created as an integral part of the U.N. system in 1945. Both Courts have contributed hitherto a great deal of jurisprudence to the principles of International Law. The decisions of the ICJ, even though expressly confined in their application to the cases in respect of which they are delivered, are highly authoritative and provide an unrivalled source of interpretation of the rules of International Law.

Not only have the judges of the ICJ to possess a high moral character and excellent legal competence and international recognition, but also the 15 judges, as a whole, must represent "the main forms of civilisation and the principal legal systems of the world"(15). To ensure judicial independence and exclusivity of function, the Statute of the ICJ forbids the judges to exercise "any political or administrative function or engage in any other occupation of a professional nature"(16). The judges are given a completely secure tenure. The Statute does not prescribe a retirement age and a judge of the ICJ can only be dismissed by a unanimous decision of the remaining judges of the Court(17).

An International Institution may provide an adjudicatory service to its member states in respect of certain matters through one of its organs operating on a judicial or quasi-judicial basis. The Council of the International Civil Aviation Organisation (ICAO), e.g., can assist in the resolution of disputes relating to "interpretation or application" of the provisions of the 1944 Chicago Convention on International Civil Aviation(18). The Organisation of African Unity (OAU) has constituted a Commission of Mediation, Conciliation and Arbitration, as well as acting as a conciliatory body itself in the disputes between Algeria and Morocco, and in the Congo and in Nigeria(19).

3. REGULATORY INSTITUTIONS

These are the institutions which are established under a multilateral accord to regulate a certain sphere of activity. Their constituent documents contain detailed and comprehensive powers, including discretionary and emergency powers, under which the institution concerned may make regulations which are collectively acceptable by member states. If any regulations made by an institution are in derogation of powers, conferred upon it specifically or by necessary implication, the members can disregard them as invalid and illegal.

The International Civil Aviation Organisation (ICAO), the International Telecommunication Union (ITU) and the Universal Postal Union (UPU) are regarded as Regulatory Institutions. They formulate rules applicable to the activities of air transport, telecommunications and post respectively. The International Labour Organisation (ILO), through the medium of its regulatory Conventions, sets the norms of the conduct to be followed internationally by member states, employers and workers. It produces regulations pertaining to the hours of work, remunerations, protection of workers from sickness and personal injury, and promotion of the freedom of association and similar matters.

Each Contracting State to the Chicago Convention 1944 has undertaken "to collaborate in securing the highest practicable degree of uniformity in the Regulations, Standards, Procedures, and in organisation in relation to aircraft, personnel, airways and auxiliary services in all matters in which such uniformity will facilitate and improve air navigation"(20). To this end, the ICAO has been given the power to adopt and amend from time to time, as may be necessary, International Standards and Recommended Practices and Procedures dealing with(21):-

(a) Communications systems and air navigation aids including ground markings.

(b) Characteristics of airports and landing areas.

(c) Rules of the air and air traffic control practices.

(d) Licensing of operating and mechanical personnel.

(e) Airworthiness of aircraft.

(f) Registration and identification of aircraft.

(g) Collection and exchange of meteorological information.

(h) Log Books.

(i) Aeronautical maps and charts.

(j) Customs and immigration procedures.

(k) Aircraft in distress and investigation of accidents.

The above enumeration of powers is not exhaustive. In addition, the ICAO is entitled to formulate regulations relating to "such other matters concerned with the safety, regularity and efficiency of air navigation, as may from time to time appear appropriate"(22).

The 33-member Council of ICAO is the appropriate organ for the adoption of International Standards and Recommended Practices, subject to compliance with the procedures prescribed in the Chicago Convention. It is incumbent upon the member states to inform the Council within a prescribed time whether or not they are able to accept a new Standard, or are ready to adjust their pre-existing regulations to it(23). In this sense the ICAO Council produces a quasi-legislation for the international community in the field of civil aviation which is fully binding in respect of those states which do not notify the Council of their inability to bring their municipal regulations into line with those produced by the Council.

"Rules of the Air" established under the Chicago Convention 1944, insofar as the area of high seas is concerned, become binding automatically on states and (in theory) no procedure available to a member state to opt out and derogate from them(24). It is a remarkable regulatory power in the hands of an International Institution whereby two-thirds or more(25) of the 33 members of the Council are entrusted with the production of rules for 152 member states of ICAO.

However, by signing Art.12 of the Chicago Convention 1944, the states have not given away a lot. The Rules of the Air are only automatically binding where they relate to the high seas. Thus not taking away anything from the "municipal jurisdiction" of the states. Moreover, vesting the power of regulation of international civil aviation over the high seas in an international body must be preferable to the regulation of this area by one state, or a small group of states. The ICAO is also able to produce uniformity of air navigation rules which is, axiomatically, indispensable to the avoidance of accidents which may result from the confusion of conflicting rules. It illustrates the point that, where the "need" rules the day, notions of sovereignty are remarkably accommodating.

In the Regulatory Institutions, as in other types of institutions, full membership is confined to sovereign states. The representatives of non-state entities e.g. other International Institutions are only allowed to participate as observers or associate members. Many IGO's and INGO's like the U.N. Development Programme (UNDP), ICAO, International Maritime Organisation (IMO), World Meteorological Organisation (WMO), U.N. Educational, Scientific and Cultural Organisation (UNESCO), International Atomic Energy Agency (IAEA), International Air Transport Association (IATA), International Broadcasting and Television Organisation (OIRT), European Broadcasting Union (EBU) and International Scientific Radio Union (URSI) are among the active non-state participants in the organs of the ITU. Societe Internationale de Telecommunications Aeronautiques (SITA) has also been co-opted as an "Observer" into the club of the associate non-state entities of the ITU in August 1980. The influence on the ITU of these international bodies, some of them operational (e.g. SITA), depends on the nature of the issue under discussion. However, in the rule creating processes of the ITU their influence is "seldom very substantial"(26).

4. OPERATIONAL INSTITUTIONS

These institutions, as distinct from providing fora for political speeches, devote most of their resources for the provision of material, technical, scientific and personnel training services, or run an international hardware system of a certain kind dedicated to the utilisation by its members throughout the world. Services in the form of Technical Assistance and Training Schemes are now also being supplied by institutions which were created mainly for regulatory purposes e.g. ICAO, ITU and IAEA.

The World Health Organisation (WHO) and the International Monetary Fund (IMF) may clearly be regarded as Operational Institutions, as, for instance, in 1969 they spent 90% of the total funds at their disposal on providing help in health and financial matters respectively(27). The procurement, maintenance and operation of telecommunications systems in their respective fields place the International Telecommunications Satellite Organisation (Intelsat), the International Maritime Satellite Organisation (Inmarsat) and the European Organisation for the Safety of Air Navigation (Eurocontrol) in this category.

The problems emerging from the Second World War and the needs of the newly independent developing countries led to injection of operational activities in many of the institutions. The ILO and ITU were "primarily engaged in forum activities"(28) but after 1945 they organised Technical Assistance and Training Schemes. Funds for this were mainly provided by the UNDP. The involvement of the ITU in operational functions was only acknowledged formally in 1959 by the insertion of paragraph "D" in Article 4 of the International Telecommunication Convention which emphasised the fostering of the "creation, development and improvement of telecommunication equipment and network in new or developing countries"(29). By 1967, the ITU was dividing its resources equally in forum and service activities. However, it must be emphasised that regulatory actions, which might have taken very little time and resources of an institution, may produce much more far-reaching results than the technical and training schemes devised for a limited number of developing countries and consuming substantial budgetary resources.

Due to their intense disenchantment with the structure and the operation of the modern state, the functionalists believe that the nation state is out-dated and increasingly irrelevant as a social unit and is an obstacle to the proper fulfilment of the world's needs(30). Since peace cannot be achieved directly through major political and institutional changes, international co-operation in functional (operational) tasks, according to the functionalists, is the best road available. They strongly denounce the pursuit of power and political goals and deep distrust is expressed about the politicians, while the technical experts of service institutions are regarded to be performing an inherently good function(31). Advocates of functionalism believe that the emphasis on non-political institutions, as well as a wide network of them in all regions of the world, will provide the cement necessary for the peace and integrity of international order. To a great extent, the condemnation of the futility of many political proceedings in International Institutions is justified. In many cases in Political Institutions rhetoric is not strictly confined to the issue being discussed in the forum concerned. Instead of focussing on a particular issue, the Delegates often diversify their speeches and irrelevantly try to express views on other matters which may concern their national interests. Some repesentatives are even motivated to make a speech on every occasion to obtain publicity. It may explain why certain observers characterise the U.N. General Assembly as a "Vanity Fair"(32).

It is apparent from the above classification of International Institutions that SITA (which of course is not here contended to be an IGO) is an Operational Institution, along with its comparative IGO counterparts - Inmarsat and Eurocontrol. All of these three institutions are less prone to the "Vanity Fair" syndrome, since their appointees have to possess certain specific technical skills before being selected to an office. This is often not the case in the political fora where Delegates are sent by various states at their own option.

LEGAL PERSONALITY OF INTERNATIONAL INSTITUTIONS

Only a century ago, rules of International Law were regarded to be formulated by and applicable to sovereign States exclusively. Any other entities were not entitled to operate on the international plane and they were governed by the municipal laws of a particular nation which recognised them as municipal persons.

However, entities which could not be categorised in a finite sense to be "sovereign" have exceptionally been able to penetrate into the restrictive club of the subjects of International Law. The Holy See and the Sovereign Military Order of St. John of Jerusalem, of Rhodes and of Malta have been treated as "subjects" of International Law(33). Another example of a state-like collectivity is the Principality of Monaco which has been treated as an international person(34). The provincial states, constituting Federal Germany before 1914, were able to conclude treaties with other states and any differences among them could be resolved under International Law(35).

In the Lateran Treaty of 11th February 1929, between Italy and Vatican City, Art.2 provides "Italy recognises the sovereignty of the Holy See in the international domain, as an attribute inherent in its nature, in accordance with its traditions and the requirements of its mission in the world ...'(36). It is worth noting that the Holy See, as distinct from Vatican City, is a non-territorial entity which is headed by the Pope. The Papacy, on the other hand, can act in its own name in international affairs and can enter into legally binding conventions known as "concordats"(37). The Pope enjoys the right of active and passive legation and can send and receive diplomatic representatives who are public ministers in the sense of International Law.

The Sovereign Military Order of St. John of Jerusalem, of Rhodes and of Malta intermittently possessed territory for a considerable length of time from 1309 onwards but ceased to be a territorial entity in 1798(38). Nevertheless, it has exercised the following rights and duties on the international level which could only be exercised by states as subjects of International Law(39):-

(a) Maintenance of diplomatic relations with other states, with full diplomatic privileges and immunities exercisable by sovereign states, without promulgation of any legislation to this effect by the host state.

(b) The Order concluded several treaties with sovereign states.

(c) The Prince Grand Master of the Order and his residence in Rome has enjoyed the benefit of sovereign immunity. His ceremonial treatment, when paying visits to other countries, is exactly the same as that of a head of a state. The accession of a new head of state is likewise notified to the Prince Grand Master.

(d) The passports of the Order are recognised even by the states which do not have diplomatic relations with it.

(e) The decorations of the Order are recognised as being validly awarded to its subjects. "A clear if minor proof of sovereignty"(40).

(f) The Order sends diplomatic representatives to international conferences. Such representatives were sent to the conferences leading to the Geneva Conventions relating to the activities of the Red Cross.

The procedure through which the new subjects of International Law are identified is called by Prof. McDougal the "global constitutive process"(41). States and other lesser participants in the international legal order are granted admittance to the subjectivity of International Law by operation of constitutive and declaratory theories of Recognition and by the customary norms of International Constitutional Law evolved gradually over a period. This global constitutive process does not make it a precondition that "all" pre-existing subjects must give their approval before a new entity may assume the rights and duties of a subject of International Law. The process is dynamic and it keeps on developing new standards, and refining the old criteria for the grant of subjectivity under International Law. A requisite majority of states, which are the fullest subjects, need to participate in the process of identification. Undoubtedly, a single state, or a small number of states, can neither impose certain criteria upon other subjects, nor reject a criterion which has attained the status of a customary norm through its acceptance by an overwhelming majority of all states.

The global constitutive process, as illustrated above, has not confined the status of the subject of International Law only to those entities which fully conformed with the requirements of statehood. After opposing the conferring of any international legal personality, the states gave in to the trend that the International Institutions should have such personality, but circumscribed by their respective functions. However, the capability of possessing international legal personality has been hitherto limited to IGO s and not extended to INGO s.

No express provision was made for the League of Nations to have international legal personality, but it is generally believed that it had both municipal and international personality(42). For example, by the Modus Vivendi of 1926, Art.I, it was promulgated in Switzerland that the League of Nations "which possessed international personality and legal capacity cannot, in principle, be sued before the Swiss courts without its expressed consent"(43).

Article 104 of the Charter of the United Nations provided that "the Organisation shall enjoy in the territory of each of its members such legal capacity as may be necessary for the exercise of its functions and the fulfilment of its purposes". This clearly conferred a municipal legal personality on the U.N. In the Reparations for Injuries Case 1949, however, the International Court of Justice enunciated that the U.N. had an international legal personality (ILP), enabling it to bring claims against other sovereign states on the international plane and that this personality was "objective" in nature and was operative even against the non-member states(44). The Court was of the opinion that 50 states (which originally created the U.N. in San Francisco in 1945), representing the vast majority of the then international community of states, had the power in conformity with International Law to bring into being an entity possessing objective international legal personality and not merely a personality recognised by them alone(45).

Many institutions have now been granted an international status through their respective constituent documents. Article XV(1) of the constitution of the Food and Agricultural Organisation (FAO) provides, "the Organisation shall have the capacity of a legal person to perform any legal act appropriate to its purpose which is not beyond the powers granted to it by this Constitution". A similar provision is incorporated in Art.66 of the Constitution of the World Health Organisation (WHO). The European Coal and Steel Community, the European Economic Community and the European Atomic Energy Authority have been endowed with legal personality to enter into legal arrangements of all kinds with other states, unions of states or other IGO's. More recent examples of this trend can be found in the treaties governing the organic structures of Intelsat, Inmarsat and Eurocontrol(46).

While considering the capacity of the United Nations to prosecute a claim for damages as an international person, the ICJ said that "under International Law the Organisation must be deemed to have those powers which, though not expressly provided in the Charter, are conferred upon it by necessary implication as being essential to the performance of its duties"(47). This view of the Court has not been controverted and the jurists are almost unanimous in saying that the IGO s can impliedly have ILP if it is indispensable to the fulfilment of their purposes and functions. An entity has to be identifiably distinct from other entities within a particular legal order to exercise any legal personality. Therefore, the legal writers believe that for the purpose of implying ILP, an intergovernmental international institution must meet the following criteria(48):-

(1) It should be a permanent association of states, with lawful objects and equipped with organs.

(2) Its Constitution should make a clear distinction between it and its member states in respect of powers and purposes.

(3) Its functions must include legal powers exercisable on the international level. Of course, without this element, there will be no question of the requirement of the ILP by an institution.

ATTRIBUTES OF ILP

The sovereign states are the fullest International Persons, possessing all rights and capacities exercisable within the framework of International Law. The converse is the case in respect of International Institutions. They have no powers, except those expressly or impliedly conferred upon them by their constituent documents. The ICJ put this distinction in these words, "whereas a state possesses the totality of rights and duties recognised by International Law, the rights and duties of an entity such as the United Nations must depend upon its purposes and functions as specified or implied in its constituent document and developed by subsequent practice"(49). Accordingly, a distinction must be made between a State and an institution, before incidents of institutional ILP can be detailed.

A very interesting set of facts which could hardly be stronger and more appropriate occurred in 1927 and provided the PCIJ with an opportunity to deliberate on the distinction between a state and an institution. The European Commission of the Danube was created in 1856 to ensure safe navigation on the river Danube. It was vested with substantial authority. Describing the Commission, the Rumanian Deputy Judge of the PCIJ said:-

"It possesses its own patrimony which is distinct from the separate patrimony of each state. It has its own flag. It is in reality an International Organisation which possesses its own sovereign powers on the territory of the Rumanian state. It has legislative powers for drawing up regulations and executive powers for carrying them out. It even has judicial powers because it gives its sentences in its own name."(50)

Even though the Commission was exercising sovereign-like powers, the PCIJ held that it was not equal to a sovereign state. The Court believed that the dividing line between the jurisdiction of the Commission and that of the Rumanian government was the Commission's non-territorial character. The Commission had authority over the Rumanian territory only for the duration of its constituent document and, thereafter, the latent sovereignty of Rumania would be restored(51).

In the Reparations for Injuries Case, Judge Hackworth highlighted the fact that the International Institutions lacked population and thus were not analogous to sovereign states(52). Having said that the U.N. had ILP, the ICJ emphasised: "That is not the same thing as saying that it is a state which it certainly is not, or that its legal personality and rights and duties are the same as those of the state. Still less it is the same thing as saying that it is a super-state, whatever that expression may mean .... What it does mean is that it is a subject of International Law and capable of possessing international rights and duties and that it has a capacity to maintain its rights by bringing international claims"(53).

The preceding paragraphs leave no room for doubting that International Institutions possess only a part of the total attributes of states. They, particularly, do not possess the attributes pertaining to territory and population. While the attributes of ILP will vary from institution to institution, based on functions, the following are regarded to be the general incidences of institutional legal personality enjoyed by many IGO s:-

(a) Espousal of International Claims

(b) Conclusion of Treaties

(c) Right of Legation

(d) Institutional Privileges and Immunities

(a) Espousal of International Claims

It was the killing of the U.N. envoy in Israel which was the subject of the U.N. request for an Advisory Opinion from the ICJ in 1949, asking whether or not the U.N. could bring a claim against Israel. The Court was unanimous in holding that, through its ILP, the U.N. could bring international claims against member or non-member states and that such claims could be brought for direct injuries to the Organisation i.e. damage caused to the interests of the Organisation itself, to its administrative machinery, to its property and assets, and to interests to which it is a guardian. The Court said that the United Nations had a capacity "to exercise a measure of functional protection of its agents, arising by necessary intendment out of the Charter"(54).

The ICJ further said: "In order that the agent may perform his duties satisfactorily, he must feel that protection is assured to him by the Organisation and that he may count on it. To ensure the independence of the agent and, consequently, the independent action of the Organisation itself, it is essential that in performing his duties he need not have to rely on any other protection than that of the Organisation .... In particular, he should not have to rely on the protection of his own state. If he has to rely on that state, his independence might well be compromised, contrary to the principle applied by Article 100 of the Charter .... It is essential that whether the agent belongs to a powerful or to a weak state, to one more affected or less affected by the complications of international life, to one in sympathy or not in sympathy with the mission of the agent - he should know that in the performance of his duties he is under the protection of the Organisation. This assurance is even more necessary when the agent is stateless."(55).

The Court was unambiguous about the comprehensiveness of the attribute of an institution, having ILP, to have jus standi to pursue claims of its injured servants on the international plane. The Court said that if an injured official was a national of the state which was responsible for the injuries, the Organisation would still be able to bring a claim against that state(56).

Referring to the rights which may concurrently exist for the benefit of an International Institution and a state, the ICJ suggested that the risk of competition between the institution and the national state can be reduced or eliminated either by a general convention or by agreements entered into in each particular case(57). The Court expected that a practice in this regard would be developed and pointed to the conduct of states whose nationals were injured in the service of the United Nations, whereby they had shown a reasonable and co-operative disposition to find a practical solution(58).

(b) Conclusion of Treaties

In the indicia of attributes of ILP the most salient power which may become exercisable by an institution is the capacity of concluding treaties with states or other IGO's. Many institutions nowadays possess this power. However, the treaty-making capacity does not automatically emanate from the fact that it has an ILP. This attribute only exists if it can be established from the express provisions of the Constitution, or by implication making it indispensable for satisfactory performance of its duties.

There is no general rule of International Law granting International Institutions the capacity to enter treaties. In the majority of cases, however, this capacity is implied in the Constitution, rather than such authorisation being recorded by express words(59). Every institution is given the power to conclude the Headquarters Agreement with the host state. The IMF Articles of Agreement, Art.9(2), the Intelsat Convention, Art.V, and the IBRD Articles of Agreement, Art.7(2), provide for these institutions the capacity, inter alia, to conclude agreements. Eurocontrol has concluded treaties in its own name with Austria, Spain, Switzerland and Portugal which were not parties to the original constituent document(60). The European institutions of ECSC, EEC and Euratom have entered into treaties with a number of states(61).

Treaty-making power has expressly been conferred on the U.N. by Art.63 of the Charter to conclude Relationship Agreements with the Specialised Agencies. Art.105(3) clearly implies a power for the U.N. to enter into treaty arrangements with its members for its privileges and immunities, while Arts.77-85 could be interpreted to authorise the U.N. to conclude Trusteeship Agreements with states. The treaty-making power may be delegated by an institution to one of its organs or one of its senior officials. In the U.N. this power is usually exercised by the Secretary General. But sometimes other senior officials may perform this function. Towards the end of 1982, for instance, the U.N. High Commissioner for Refugees signed an agreement with the government of Pakistan to deal with the welfare of refugees in that country from Afghanistan(62).

Prof. J. L. Brierly, the first Special Rapporteur on the Convention on the Law of Treaties, as early as 1950, was in favour of bringing the IGO s in the ambit of the International Law of Treaties. He believed that it was impossible to ignore the agreements concluded by the IGO s or to regard their existence as "an abnormal feature of international relations"(63). The 4th and final Special Rapporteur, Sir Humphrey Waldock, defined an International Agreement as an arrangement intended to be governed by International Law and concluded between two or more states "or other subjects of International Law possessing international personality and having capacity to enter into treaties"(64). He reported that in fact the number of agreements concluded by IGO's in their own names, both with states and with each other, and registered as such with the U.N. Secretariat was "very large"(65).

The International Law Commission (ILC), referring to the draft of the Vienna Convention on the Law of Treaties, said in 1965 that the principles contained in the Convention were "to a large extent, relevant also in the case of treaties concluded between states and other subjects of International Law, and between two or more such other subjects of International Law"(66).

In response to a recommendation of the U.N. Conference on the Law of Treaties in 1969, the U.N. General Assembly asked the International Law Commission (ILC) to codify rules governing the treaties concluded by International Organisations. The ILC began work on this topic in 1970 and the "Draft Articles on the Law of Treaties between States and International Organisations or between International Organisations" were given final approval in the 1982 session of the Commission(67). According to a member of the Commission, Prof. McCaffrey, these Draft Articles "correspond largely to the provisions of the Vienna Convention on the Law of Treaties"(68).

(c) Right of Legation

Once an entity acquires the status of an International Person, it can exchange representatives with other subjects of International Law. The IGO s have a great number of Permanent Missions attached to them, as well as receiving state representatives on an ad hoc basis when their plenary organs are in session, or when they convene special meetings to deal with an emergency. Such accreditation of representatives is not confined only to member states. The ICAO, for example, along with a number of institutional Observers, received an observer delegation from the German Democratic Republic in its April-May 1984 Extraordinary Assembly which dealt with providing legal protection against the shooting down of a foreign civilian aircraft by a subjacent state(69).

Many institutions appoint permanent or temporary representatives to other institutions, member states and, sometimes, to non-member states e.g. the deceased envoy who was the subject of the Advisory Opinion in the Personal Injuries Case 1949 was sent by the U.N. to Israel when she was not a member of the U.N. The U.N. Technical Assistance Board maintains Resident Representatives in a great number of countries(70). The U.N. appointed in 1949 a Commissioner to assist the inhabitants of Libya in attaining independent self-government(71). The EEC has accredited Permanent Diplomatic Missions to the U.S., Canada, Japan and Australia which are not members of the EEC(72).

It has become a common practice for the U.N. and its Specialised

Agencies to send missions to various countries for different purposes. In May 1983, the U.N. Secretary General sent a mission to Iran and Iraq to visit civilian areas to determine the extent of the war damage due to the hostilities between the two states. Missions or Direct Contact Missions are sent by ILO to investigate alleged infringements of the right of the freedom of association in the member states(73). The ICAO sent an Investigation Team, headed by Mr. Wazirzada, in the Soviet Union to find out the circumstances surrounding the shooting down on 1st September 1983 of the South Korean civil airliner(74). All these missions are sent with the consent of the receiving states.

The representational links between IGO s and states are distinct in nature from that of the ordinary interstate relations. Although the host state has not recognised a particular state, the institution may validly maintain such links with that state. The UNESCO did not discontinue its contacts with the Taiwanese government when in 1964 the host state, France, recognised the government of the Peoples Republic of China which automatically negated the true representative character of the Taiwanese government of the Chinese people.

(d) Institutional Privileges and Immunities

The International Persons, through their recognition on the international plane, enjoy certain privileges and immunities. The institutional privileges and immunities are commensurate with the functions of a particular institution. They do not, for instance, include aspects which are peculiar to states e.g. passport recognition, etc.

Institutional privileges and immunities were granted to the members of the inter-governmental European Commission for the Danube, established in 1856, and they were exercisable in the territory of the member states(75). Except insofar as it has expressly waived it in any particular case, the United Nations and its property (wherever located and by whomsoever held) enjoy immunity from all kinds of legal process in the territories of the signatory states to the General Convention on the Privileges and Immunities of the United Nations 1946. In 1982, this Convention was acceded to by 60 states(76). Similarly, Art.1 of the Protocol on the Privileges and Immunities of the European Economic Community provides that the property and assets of the Community may not be the subject of any administrative or legal measures of constraint, without the authorisation of the European Court of Justice(77).

There is a separate Convention on the Privileges and Immunities of the Specialised Agencies of the U.N. which was approved on 21st November 1947 by the U.N. General Assembly(78). Each Specialised Agency enjoys the privileges and immunities under this document, subject to specific variations set out in a particular Annex applicable to it. This Convention and the 1946 General Convention formed a model for later agreements made for other institutions e.g. League of Arab States, Organisation of American States, Council of Europe, Western European Union, etc.

Almost all of the Headquarters Agreements provide that the premises and the archives of the institution are inviolable(79). Authorities of the host state may not enter the offices of an institution without the consent of the administrative head, even for the purpose of effecting an arrest or serving a writ(80). These Agreements also incorporate an undertaking on part of the host state to exercise due caution and diligence in the protection of the premises from their violation by unauthorised persons. Other than a few violations of U.N. Agency premises in the 1967 Middle East war, this privilege has rarely been breached(81).

Most of the IGO's are also made immune from any foreign exchange and fiscal restrictions. The General Convention on the Privileges and Immunities of the United Nations 1946, for example, provides that the U.N. can hold funds, gold or currency of any kind, and operate accounts in any currency, and should be free to transfer its funds, gold or currency from one country to another without being restricted by financial controls, regulations or moratoria of any kind(82). The most favourable exchange rate was made available by Egypt to the U.N. by paragraph 35 of the Agreement on the Status of the United Nations Emergency Force, UNEF(83).

Exemptions from direct taxation of the institution, its assets, income and property are normal, except in respect of charges for the public utility services. Another commonly available privilege is the exemption from customs duties and import and export restrictions on articles required for the official use and publications of the institution(84).

The institutions are also given the freedom from censorship of their communications; freedom to use courier, codes or containers like diplomatic bags or pouches; and freedom of transmission as favourable as the treatment given to local government official communications(85).

For the officials of the institution and the representatives of states to it, the 1946 General Convention provides for full immunity from any legal process in respect of any official business of the United Nations(86). In addition, they also enjoy considerable immunity from immigration controls and imposition of customs duties on their personal baggage. To prevent diversion of any part of the institutional funds to the treasuries of the individual states, and to ensure equality of pay among the cosmopolitan staff, the salaries of the personnel of an institution are not taxable by the host state. This exemption is not absolute and it has been modified by special arrangements by some institutions to deal with pensions and other allowances. The U.S.-U.N. Headquarters Agreement is silent on this point and the Agreements between Canada and ICAO and the U.K. and IMO, as well as the NATO Agreement do not extend the exemption from income tax to the nationals of the host state(87).

The study of relevant instruments has shown that the object in granting privileges and immunities to International Institutions has been not to confer on them an exceptional rank or status of extraterritoriality, "but to enable them to carry out their functions in an independent, impartial and efficient manner"(88). International Institutions are still very different from states. Hence, the functional status of institutional privileges and immunities must be distinguished from diplomatic privileges and immunities which are based on the concept of sovereignty and are exercisable on a bilateral level. The distinguishing features may be summarised as follows(89):--

(1) In regard to an official of an institution, the privileges and immunities may be of great use and consequence in his relationship with his own state.

(2) Whereas a diplomat is made immune from the jurisdiction of the receiving state, he is notionally considered to be under the jurisdiction of the sending state. The independence of an institutional official requires that he is free of the control of his state of origin.

(3) Whereas the observance of diplomatic privileges and immunities is ensured through the operation of reciprocity, an institution has no such effective sanction.

(4) The principle of persona non grata is inapplicable to the representatives to an institution, as they are not accredited to the host state but to the institution. Conversely, if as a result of a violation of the functional justification of the privileges and immunities, an official of an institution is asked to leave, either by the institution or by the institution in conjunction with the host state, it is submitted that the sending state will not be entitled to take any retaliatory action against the diplomats of the state in which

the institution is based.

CONSEQUENCES OF INTERNATIONAL PERSONALITY

The effect of admittance to the community of International Persons is that an institution acquires additional capacities which are inherent in the above-mentioned attributes of ILP. A "capacity" to do something, or be eligible for some privilege or immunity, is discretionary in nature, exercisable at the option of the possessor of that capacity. An institution may choose not to exercise a certain privilege or immunity when it feels that invocation of it would either hinder the smooth functioning of its machinery, or damage its reputation and standing in the international community(90).

Having regard to this discretionary nature of the additional capacities which flow from the possession of ILP, one may regard them as "advantages" of the ILP. Similarly, since any ill-effect of these capacities is avoidable through a discretionary waiver by an institution, no disadvantage is discernible from their possession by an institution.

Naturally, the taxational concessions alleviate some financial burden of the institutions. The freedom from jurisdictional and administrative controls assist in the discharge of institutional duties independently and effectively. The fact that International Persons can espouse international claims provides some deterrence against any improper interference by any state not totally committed to the mission of an institution. Furthermore, as the ICJ highlighted in the Reparations for Injuries Case, the officers and agents of the institution feel assured by the fact that if in the course of the performance of their duties they incur any damage, the institution, by virtue of having an ILP, will be able to implead against the state responsible on the international plane.

The importance and benefits of the capability to appoint quasi-diplomatic representatives should not be under-estimated. Through this ability the institutions can supervise and effectively execute, in the territorial domains of their members, the tasks entrusted to them under their Constitutions. These representatives can assist the diplomatic conferences of states with their expertise, and can bring to the notice of these conferences the problems researched and identified by them. Exchange of representatives among various institutions ensures that functional activities are co-ordinated and duplication is avoided. These representational links enable one institution to have an insight in the programmes of another institution and point out any aspect which may be injurious or obstructive to the plans of other institutions. While a body, having no ILP, may be allowed to represent in the proceedings of other institutions (e.g. SITA in ITU), the prestige connected with International Legal Personality can facilitate the promoting of such representations with a greater frequency and influence.

Chapter 8

INMARSAT and EUROCONTROL

International Maritime Satellite Organisation (INMARSAT) and European Organisation for the Safety of Air Navigation (EUROCONTROL) feature in this thesis as examples of governmental institutions. Due to their functional similarities and some other aspects (detailed at the beginning of chapter 9) they have been considered to be suitable for comparison with the INGO of SITA.

(A) INMARSAT

For centuries the seafarer s only means of contact with the shore were his own voice and primitive devices like signal flags, lamps and flares, and once out of sight of land he was cut off from the rest of the world(1). Wireless telegraphy, which was being introduced into service by the end of the nineteenth century, was the first major improvement in telecommunications. The need for an efficient communications system between ship-to-ship and ship-to-shore was made pronounced by many shipping disasters like that of the Titanic.

Within ten years of the Titanic tragedy, wireless telegraphy was possible over distances of three thousand miles and telephony over one thousand miles. The use of telex proved much faster than hand Morse telegraphy. Radio communications suffered from ionospheric interference and had limited channels. Congestion and lengthy delays were, therefore, caused by this method of communication(2).

In view of these limitations, soon after the success of the first commercial satellite "Early Bird" in 1965, the main maritime nations started to consider how the new system could be utilised to provide an automatic, reliable and global communications system. Satellite communications could provide speed and accuracy of transmission of urgently required weather-related data which could take the dangerous and expensive guesswork out of weather-dependent situations, thereby ensuring safer and cheaper voyages. Maritime Track Routing Services, advising on weather diversions, could enable the ships to avoid hazardous sea conditions and developing storms by using satellite communications. The availability of cheap and efficient telecommunications services for the merchant ships was more serious because their owners did not feel a pressing need to equip these vessels, unlike the naval ships, with the most modern equipment(3).

In 1973, the Assembly of the International Maritime Organisation (at that time known as International Maritime Consultative Organisation, IMCO) took the initiative of convening an "International Conference on the Establishment of an International Maritime Satellite System", and the Conference held its first Session from 23rd April to 9th May 1975. The Conference established an Inter-sessional Working Group (IWG), to carry on the work actively and to advise the next Session of the

Conference. After three sessions of the IWG the Conference met again in London to consider the reports of the IWG. Having accepted the idea of an international maritime communications system, the Conference established a Preparatory Committee to carry out feasibility studies, until the appropriate legal instruments for the establishment of INMARSAT - International Maritime Satellite Organisation - were ratified by the Interested States. Participation in the Preparatory Committee was made conditional upon the signing of the INMARSAT Convention and the Operating Agreement opened for signature and ratification by the Conference. Representatives of those States which had initiated domestic procedures, eventually leading to the membership of INMARSAT, were also considered to be eligible for participation in the Preparatory Committee. Due to the conditions of membership, the Preparatory Committee did not start its work until 3rd September 1976 when the INMARSAT Convention and Operating Agreement took their final shape(4).

All outstanding issues about the constituent instruments were settled in the third Session of the Conference in London. The Conference ended on 3rd September 1976, with the opening for signature of "the Convention on the International Maritime Satellite Organisation", the Operating Agreement and the Final Act. By May 1983, thirty-nine States had become Parties to the system(5).

The Operating Agreement can either be signed by a State Party to the INMARSAT Convention, or by an entity designated for that purpose(6). An Entity so designated is known under the Convention as a "Signatory" and remains subject to municipal laws of the designating Party.

However, the Contracting Party is under a duty to provide "such guidance and instructions as are appropriate and consistent with its domestic law to ensure that the Signatory fulfils its responsibilities"(7). The provisions show that while a "private" corporation can be designated as a Signatory, it remains firmly under the control of the designating Party and, therefore, is nothing more than an extension of that Party. Indeed, a Signatory cannot withdraw from INMARSAT, unless a decision is made under the municipal law to this effect. Only the designating Party is entitled to send a valid notice of withdrawal to the Organisation(8).

The INMARSAT Convention consists of thirty-five Articles. This, together with the Operating Agreement, provides a comprehensive regime for the Organisation. INMARSAT has been given the duty of making adequate "provision for the Space Segment"(9), necessary for improving maritime communications. The Space Segment means the third link in the triangular communications route between a ship and the land-based offices for communicating with each other through a communications satellite(10).

The Convention defines "Space Segment" as "the satellites and the tracking, telemetry, command, control, monitoring and related facilities and equipment required to support the operation of these satellites"(11). The expression not only covers the communications satellites owned by INMARSAT, but also the capacity leased by the Organisation on the communications satellites belonging to other entities(12). The operational activities in the provision of the Space

Segment of INMARSAT are required to be directed to achieve the following objectives(13):-

(a) Improvements in maritime communications distress situations.

(b) Improvement in the efficiency and management of ships.

(c) Improvement of Maritime Public Correspondence Services.

(d) Improvement in Radio Determination Capabilities which is necessary for efficient maritime communications and location of ships.

(e) The provision of Maritime Communications Services on a global and non-discriminatory basis where there is a need for such services(14).

The Organisation has to keep in mind that it's activities are exclusively for "peaceful purposes". This provision was embodied in the Convention to quell fears, which were mainly expressed by the Soviet Union in the Conference dealing with the creation of INMARSAT, about any use of INMARSAT services for military purposes(15).

In managing its operations, INMARSAT is required to operate "on a sound economic and financial basis, having regard to accepted commercial principles"(16). This provision has the effect of preventing the Organisation from being unduly obliged to grant contracts of acquisition or service on the basis of geographical distribution; it undoubtedly allows the Organisation to use the best technical suppliers of equipment and services even though they are based in a handful of Western countries. Out of over one thousand ships(17), on 6th June 1982 there were only eight Soviet ships equipped with Ship Earth Stations (terminals), all of them manufactured in the US or Japan(18).

On 16th July 1979, INMARSAT officially came into existence(19). Until INMARSAT had acquired adequate machinery to operate maritime satellite communications, MARISAT satellites under the provisional administration of Communications Satellites Corporation (COMSAT) were used. COMSAT had established the first Maritime Communications Satellite System in 1976 with a network of MARISAT satellites run by a special Maritime Division, in conjunction with two US telecommunications companies(20).

Until the first Marecs satellite was put into orbit by Ariane launcher rocket of European Space Agency (ESA), the "First Generation Space Segment" of INMARSAT consisted of only three MARISAT satellites which were in orbit since 1976 over the three oceans(21).

The operations of the MARISAT satellites continued until 31st January 1982 under the administration of COMSAT General. During this period INMARSAT prepared to operate the Space Segment itself. On 1st February 1982, INMARSAT took over the control of the three U.S. MARISAT satellites as a lessee of the transmission capacity of ten voice channels on each satellite(22).

Along with the control of the three MARISAT satellites on the three main oceans of the world, INMARSAT also inherited three Coast Earth Stations at Yamaguchi in Japan and Southbury and Santa Paula in the United States. Coinciding with the operations of INMARSAT on 1 February 1982, the fourth Coast Earth Station went into operation at Ibaraki in Japan(23). A Coast Earth Station (CES) is the link on the ground through which a call is transmitted to the satellite and from there the call is relayed to a ship, and vice versa. The countries which do not have a CES close to them have to make the international telecommunications links with the CES closest to them, after having regard to the location of the ship to which the message is to be transmitted. Therefore, the provision of CESs had to be substantially expanded to make the calls more economical. Expansion of the Space Seqmement is continuing, as the operational life of communications satellites is limited to about eight years. Furthermore, the number of Coast Earth Stations is being increased(24).

The International Maritime Satellite Organisation is a co-operative venture of the member States. It has a duty to employ the best commercial practices to ensure that the infrastructure of the Organisation is operated and managed at the least expense to the participants, and to ensure that the service charges to the users are as economical as possible. The INMARSAT Council, the body where the most important financial and operational decisions are made, reinforces these economic criteria by employing the mechanism of weighted voting.

As an international institution, INMARSAT provides a good example where its representative organs are able to marry political aspirations with economic considerations. INMARSAT Assembly, Council and Directorate meet with the financial caution of the contributories and the need for protection of sovereign rights. They ensure that the functional services are run in the most efficient and technically-minded manner, through the employment of the best qualified staff available.

INMARSAT Assembly

The Assembly is composed of all the Parties to the INMARSAT Convention and regular Sessions of the Assembly are required to be held once every two years. Upon the request of the Council, or one-third of the State Parties, an Extraordinary Session ~~of~~ the Assembly may be convened(25). "To ensure technical compatibility and to avoid significant economic harm to the INMARSAT system", the INMARSAT Council may make a recommendation to the Assembly to discuss the matter and issue guidance in respect of any individually or collectively organised Space Segment in the jurisdiction of a Party of INMARSAT. In that case, an Extraordinary Assembly may be convened by the Council, should such a measure be necessary in light of the gravity of the issue(26).

Each Party has one vote in the Assembly. Decisions on substantive matters are required to be taken by a two-thirds majority while procedural decisions may be taken by a simple majority(27). Abstention by a Party is regarded as a Negative vote. Whether a matter is "substantive" or "procedural" is judged by the Chairman of the Assembly; however, it can be overruled by a vote of two-thirds majority of the Parties present and voting. The quorum of the Assembly is the majority of the Parties to the Convention(28).

Article 12(1) of the Convention specifies the functions of the Assembly as follows:-

(a) Consideration and review of the activities, purposes and general policy and long-term objectives of the Organisation;

(b) To make sure that the activities of the organisation are consistent with the provisions of the INMARSAT Convention, and with the provisions of the INMARSAT Convention, and with the purposes and principles of the United Nations Charter, as well as with any other treaty by which the Organisation is bound in accordance with its decisions.

(c) Authorisation of the establishment of additional Space Segment facilities, on recommendation of the Council.

(d) Formulation of decisions on the Recommendations of the INMARSAT Council and expression of views on the reports presented by it.

(e) Election of four representatives to the INMARSAT Council on the basis of the "principle of just geographical representation", in accordance with the provisions of Article 13(1)(b).

(f) Making decisions on formal relations between INMARSAT and States, whether Parties or not, and International Organisations.

(g) Making decisions on any amendments to the INMARSAT Convention and the Operating Agreement(29).

(h) Considering the termination of membership of a Party to the INMARSAT Convention(30); of course, termination of membership of a Party will automatically terminate the membership of the Signatory to the Operating Agreement designated by that Party, subject to any pre-accrued obligations.

(i) Exercising of any other function conferred upon it through the provisions of either the INMARSAT Convention or the Operating Agreement.

The Assembly is under a duty to "take into account" any relevant recommendations of the Council. These are, of course, non-binding in character. Since the participants of the Assembly are the State Parties, these recommendations cannot deter them even from their "arbitrary" disregard. It appears that the kernel of this provision is to indicate to the Assembly a source of guidance in the Recommendations of the Council which is closely responsible for the day-to-day activities of the Organisation.

INMARSAT Council

The Council is composed of the Representatives of the Signatories to the Operating Agreement. Due to their commercial and technical origins, they provide INMARSAT with a body of people which can be compared with a "board of directors" of a corporation in a municipal legal system. The Signatories may either be a public department of the State Party concerned, or a private commercial enterprise, dealing with the administration of telecommunications services under the jurisdiction of that Party. Usually countries (like the United States) which do not have a state-run Telecommunications Department, providing the ordinary public with post, telegraph and telephone services, designate as Signatory a private corporation performing the same function under their jurisdiction.

The membership of the Council is usually composed of twenty-two representatives of the Signatories. Except for four of the members, the membership of other representatives is connected directly to their financial contributions to the INMARSAT System. If, by reason of "two or more Signatories having equal Investment Shares", the number of representatives on the Council, eligible for election on the basis of their financial contributions, exceeds eighteen, then they may all exceptionally be allowed to be represented; thus taking the total number of the Members of the Council over the normal twenty-two limit.

Selection of the usual eighteen representatives of Signatories is not confined to individual Signatories holding the "largest investment shares in the Organisation". The groups of Signatories who may agree to represent themselves jointly can also have their representatives in the Council. The participants of such groups will not be eligible to be represented under the principle of just geographical representation. If a group of Signatories and a single Signatory have equal Investment Shares, the latter shall have the "prior right".

There are always four Seats occupied by the representatives of the Signatories of Parties which are elected by the INMARSAT Assembly on the "principle of just geographical representation", to preserve the "international" character of the Organisation.

In ensuring just geographical representation in the selection of Signatories, the INMARSAT Assembly is also required to pay "due regard to the interest of the Developing Countries". A representative so selected by the Assembly represents the interests of all the Signatories coming from its geographical area, which have agreed to be represented by that Representative and which have not been represented on the

Council in any other way(31).

For the discharge of its functions, the Council must meet at least three times per year(32). The Convention encourages the Council to "endeavour to take decisions unanimously". If there is a difficulty in reaching a unanimous decision, it is required to conform with the following procedures(33):-

(a) Decisions on substantive matters shall be taken by a majority of representatives on the Council, representing at least two-thirds of the total voting participation of all Signatories, and groups of Signatories represented on the Council. Therefore, a majority of representatives, not commanding at least two-thirds of the total finance of the Organisation, will not be able to take a substantive decision.

(b) Procedural matters can be decided by a majority of representatives present and voting; each having one vote.

(c) Disputes as to whether a particular matter is substantive or procedural can be decided by the Chairman of the Council. However, the decision of the Chairman in this regard can be overruled by a two-thirds majority of the Representatives, each having one vote. The Council is entitled to adopt a different procedure for the election of its officers.

(d) Each representative on the Council shall have a "voting participation equivalent to the investment share or shares he represents". But no Representative is allowed to cast on behalf of one Signatory more than 25% of the total voting participation in the Organisation except in a very limited circumstance. A Signatory will only be able to exercise more than 25% voting power, if it has offered investment in excess of 25% possessed by it to other Signatories and they could not purchase it. However, if the Signatory does not offer the investment in excess of 25% to other Signatories, then it will not possess any voting participation for that excessive investment. Instead, it will be equally distributed amongst other Representatives on the Council, without increasing the investment share of any other Representative more than 25%.

(e) The quorum is the majority of representatives on the Council, representing at least two-thirds of the total voting participation of all individual and groups of Signatories(34).

Having due regard to the views and recommendations of the Assembly, the Council has the function "to make provisions for the Space Segment, necessary for carrying out the purposes of the Organisation in the most economic, effective and efficient manner", consistent with the provisions of the INMARSAT Convention and the Operating Agreement. For the discharge of this responsibility the Council has the competency to perform all appropriate functions including(35):-

(a) Determination of Maritime Satellite Telecommunications Requirements and adoption of policies, plans, programmes, procedures and measures for the design, development, construction, establishment, acquisition by purchase or lease, operation, maintenance and utilisation of the INMARSAT Space Segment, including the procurement of any necessary launch services to meet such requirements.

(b) Adoption and implementation of management arrangement which shall require the Director General to contract for technical and operational functions whenever this is more advantageous to the Organisation.

(c) Adoption of criteria and procedures for approval of Earth Stations on land, on ships and on structures in the Marine environment for access to the INMARSAT Space Segment and for verification and monitoring of performance of Earth Stations having access to and utilisation of the INMARSAT Space Segment. For Earth Stations on ships, the criteria should be in sufficient detail for use by national licensing authorities at their discretion, for type-approval purposes.

(d) Submission of Recommendations to the Assembly under Article 12(1) of the INMARSAT Convention, for seeking Authorisation from the Assembly for the establishment of additional Space Segment Facilities the special or primary purpose of which is to provide radio-determination, distress or safety services.

(e) Submission to the Assembly of periodic reports on the activities of the Organisation, including financial matters.

(f) Adoption of Procurement Procedures, regulations and Contract terms and approval of Procurement Contracts consistent with the Convention and the Operating Agreement.

(g) Adoption of Financial Policies, approval of the Financial Regulations, annual budget and annual Financial Statements, periodic determination of charges for use of the INMARSAT Space Segment, and decisions with respect to all other financial matters, including Investment Shares and capital ceiling consistent with INMARSAT Convention and the Operating Agreement.

(h) Determination of arrangements for consultation on a continuing basis with bodies recognised by the Council as representing ship-owners, maritime personnel and other users of maritime telecommunications.

(i) Designation of an arbitrator where the Organisation is a party to an arbitration.

(j) Exercise of any other functions conferred upon it through any provisions of the INMARSAT Convention or the Operating Agreement. Such additional items may include the discharge of the above-mentioned functions in more detail, e.g. establishment of Rules of procedure, under Article 20(2), whereby the requirement of calling International Open Tenders for INMARSAT procurements may exceptionally be waived.

The Council functions similar to a board of directors of a company selling services. It makes decisions on the nature and quality of services, the type of equipment to be purchased and the prices to be charged. Such services are supplied within the framework of the Assembly policies which, in turn, are based mainly on the Council's recommendations(36).

INMARSAT Directorate

The day-to-day business of the INMARSAT Maritime Communications System is conducted by the personnel under the supervision of a Director General. The Council is responsible for the appointment of the Director General from the candidates proposed by the State Parties or Signatories through the Parties, subject to confirmation by the Parties. His appointment is for six years. He is responsible to, and under the direction of the Council and it can remove him at any time on its own authority. The Council; however, is under a duty to report the reasons for his removal to the INMARSAT Assembly of Parties(37).

The functions of the Director General are as follows:-

(a) He is the chief executive and the Legal Representative of the Organisation.

(b) He is responsible for the appointment of the members of the Directorate. The appointment of Senior Officials, reporting directly to the Director General, will require the approval of the Council.

(c) The paramount consideration in appointing the Staff will be the highest standard of integrity, competency and efficiency.

The Director General is fully accountable to the Council which possesses the most formidable Institutional Status in the organisation of INMARSAT. The structure, staff levels and the standard terms of employment of officials and employees, and of consultants and other advisers to the Directorate require the approval of the Council. In the formulation of these rules and regulations, as well as in the appointment of the Director General, the Council is required to keep the criteria of the highest standard of integrity, competency and efficiency in mind(38).

The Director General of INMARSAT has a more varied job than the Head of other International Institutions like ICAO or ITU. The shareholders of his Organisation are the Sovereign States, while most of the ships which use the communications provided by INMARSAT are owned by Private Entities. His role as a Head of an Inter-Governmental International

Institution intermingles with that of a Managing Director of a multinational corporation.

Among the operational functions under the Director General is the supervision of employees of INMARSAT who run an Operations Control Centre in London which functions round the clock, coordinating activities at three Network Co-ordination Stations, Satellite Control Centres and Coast Earth Stations in other countries(39).

Some General Aspects of INMARSAT

It is permissible for the Assembly or the Council of INMARSAT to hold meetings outside London. When a meeting is held abroad, it is required by the Convention that all Parties and Signatories should be able to attend and, to this effect, the Organisation is required to enter into an appropriate arrangement with the host country(40). Obviously, this provision is to prevent any discrimination against the attendees based on political or diplomatic disputes.

Insofar as the expenses incurred by delegates to the deliberative organs of international institutions are concerned, almost all constituent documents provide for such expenses to be borne by the States sending them. Likewise, expenses incurred in attending the meetings of the Assembly or the Council of INMARSAT are required to be borne by the States or Signatories which they represent. The expense of arrangement of a meeting are, on the other hand, regarded as part of the administrative expenses of the Organisation(41).

No organ is permitted to hold a meeting outside London unless "the perspective host agrees to defray the additional expenditure involved"(42). The Signatories, rather than States, are responsible to make financial resources available to the Organisation(43). The State Parties are not as such liable for the acts or obligations of the Organisation, except in respect of States or other entities which are not Parties to the INMARSAT Convention or the Operating Agreement(44). It is worth noting that the Member States of the European Organisation for the Safety of Air Navigation - EUROCONTROL - under the modified regime (which is expected to come into force on 1st January 1985) are required to place appropriate financial resources at the disposal of EUROCONTROL(45), and the Permanent Commission of EUROCONTROL may take a dispute against a Member State to an Arbitral Tribunal(46).

A good part of the financial requirements of the INMARSAT Organisation will be met with, since a substantial deployment of initial capital has already taken place, from the revenue received for the services provided to the user of the communications system. These charges are required to be levied by the Council on the criteria of non-discrimination and availability-to-all basis(47).

The procurements, in accordance with the rules set out by the Council, are required to be effected on an international basis by open tenders, other than a very few and limited exceptional circumstances(48). The State Parties, on the other hand, are required neither to establish themselves individually or collectively, nor to allow some other person to establish within their jurisdiction, independent satellite communications which are either not compatible with the INMARSAT Space Segment, or which are likely to cause a significant economic harm to the INMARSAT System. This requirement is not mandatory and, moreover, does not apply to the establishment of separate telecommunication services which are necessary for National Security of a Party(49); of course, the INMARSAT System, under the expressed provisions of the Convention, cannot be used for military purposes.

INMARSAT is under a duty to cooperate on matters of common interest with the United Nations and its Bodies dealing with the peaceful usage of outer space and ocean areas, its Specialised Agencies, as well as with other International Organisations. Particular consideration is required to be given by INMARSAT to the Resolutions of the International Maritime Organisation and the main provisions of, and the Regulations made under, the International Telecommunications Convention; the latter being an ongoing Constitution of the ITU which is amendable whenever an ITU Conference is convened. Due consideration is required to be paid by INMARSAT to the relevant Resolutions, Recommendations and Procedures of the organs of the ITU in respect of matters related to the design, construction and establishment of INMARSAT Space Segment(50). This is also required in respect of procedures established for regulating the operation of Space Segment and the Coast Earth Stations. The cooperation of INMARSAT with these international institutions has been very active(51).

Any State Party can withdraw from INMARSAT by giving a written notice "at any time". Otherwise, a Signatory to the Operating Agreement can withdraw from the Organisation, but its withdrawal will only be effective if the Notice of Withdrawal is presented by the Party designating that Signatory indicating its approval of the withdrawal. Withdrawal of a Party automatically implies the discontinuance of participation of the Signatory designated by that Party in the INMARSAT System; understandably, the withdrawal of a particular Signatory will not affect the designating Party which will, no doubt, be able to redesignate another Signatory. Upon receipt of the Withdrawal Notice, the Party (or the Signatory which is being substituted) "shall cease to have any Rights of Representations, or any voting rights in any Organ of the Organisation, and shall incur no obligation after the date of such receipt". Unless the Council decides otherwise, a withdrawing Signatory shall remain responsible for contributing the share of the Capital Contributions necessary to meet contractual commitments specifically authorised by the Organisation before the receipt of the Notice, and liabilities arising from acts or omissions before the receipt(52).

INMARSAT is an international cooperative and charges for its services are determined by the Council only with a view to cover the operating, maintenance and administrative costs(53), as well as ensuring an adequate flow of capital investment. Within the scope of the activities covered by the INMARSAT Convention, the Organisation and its Property is required to be exempted in all State Parties from all "national income and direct national property taxation, and from customs duties on communications satellites and components and parts for such satellites, to be launched for use in the INMARSAT Space Segment". Every Party to the Convention has also undertaken "to use its best endeavours" to extend these exemptions further, "bearing in mind the particular nature of the Organisation", as well as considering such further extensions to be "desirable" and compatible with their municipal laws(54). This provision is riddled with a number of qualifications and, therefore, has nothing but a moral force. Privileges and immunities for the Director General, his staff of experts performing missions for the Organisation, and the representatives of the State Parties and Signatories are also required to be extended by the Host State and by the Parties to the INMARSAT Convention(55).

The INMARSAT Convention confers Legal Personality on the Organisation, while at the same time it stipulates that the Organisation will be "responsible for its acts and obligations". For the purpose of its proper functioning, this Legal Personality includes "the capacity to contract, to acquire, to lease, to hold and to dispose of moveable and immoveable property; to be a Party to Legal Proceedings; and to conclude Agreements with States or International Organisations"(56). The capacity to conclude Agreements with States, which is no doubt circumscribed by the provisions of the INMARSAT Convention and the Operating Agreement, implies the possession of an impressive legal personality; especially when countries like the Soviet Union which are least willing to approve the international legal standing of international institutions are Parties to the INMARSAT regime.

(B) EUROCONTROL

Under the Chicago Convention 1944, the safety of air navigation is the responsibility of individual States. Applicable standards and safety requirements in this respect have been coordinated by ICAO.

The need for an integrated air navigation system in Europe was emphasised in the 1950 s, due to the following aspects of the introduction of jet engine to the civil aviation scene(57):-

(a) It took civil aviation above the conventional height of 20000-feet, at which the piston engined aircraft could fly.
(b) The jetliners had high speed and, thus, there was very little time for small States like Belgium or Luxembourg to make safety decisions.
(c) There was an increase in traffic flow, creating need for additional ATC resources organised on a cooperative basis.

The fact that the new breed of aircraft operated in the upper space, where no services were provided except for military planes, appeared to many States to facilitate the establishment of a joint European air navigation system. The issue was first discussed at the IV European Mediterranean Regional Air Navigation Conference of ICAO at Geneva. Directors General of the Federal Republic of Germany, Belgium, Luxembourg, France and the Netherlands met in Luxembourg in July 1958. They examined the administrative, financial and technical aspects of establishing a common European air navigation system. Further meetings took place in Bonn, Rome and Paris in 1958 and 1959.

On 9th June 1960, the United Kingdom participated in a meeting in Rome to approve the draft of the Convention providing for European air navigation. On 13th December 1960, the plenipotentiaries of the United Kingdom, Federal Republic of Germany, Kingdom of Belgium, France, Luxembourg and the Netherlands met in a diplomatic conference in Brussels and signed the "Convention Relating to Cooperation for the Safety of Air Navigation"(58). The Convention came into force on 1st March 1963. On 1st January 1965, the Republic of Ireland acceded to the Convention(59).

The 1960 Convention set up the "European Organisation for the Safety of Air Navigation", generally known as "EUROCONTROL"(60). In addition to providing air navigation services, EUROCONTROL is given the task of collecting route charges (details later). Austria, Portugal, Spain and Switzerland joined as associate members in the machinery of the collection of route charges. EUROCONTROL also has concluded cooperative and consultancy agreements with a number of non-member States which include the U.S. and Scandinavian countries(61). A "special agreement" was signed in 1981 by EUROCONTROL with Greece to provide advisory services to Greek air navigation centres and the arrangement was continuing in 1983(62).

Highlights of the First 20 Years of EUROCONTROL

The 1960 EUROCONTROL Convention was initially valid for 20 years i.e.

until 28th February 1983, subject to review and extension for another term(63). Accordingly, on 12th February 1981 the seven full and four associate members of EUROCONTROL signed a comprehensive amending protocol to preserve the continuity of the Organisation. Portugal will participate as a full member, rather than as an associate, when the new arrangement will come into force. Since the 1960 regime is to be superseded by the new protocol on or after 1st January 1986, the author will focus his discussion on the new regime. Before doing so, however, this section is devoted to a brief account of salient historical events of the first two decades of the Organisation.

Charged with the provision of air traffic control (ATC) services in the upper airspace to governmental and non-governmental aircraft, EUROCONTROL took pride in calling itself "the first international service"(64). By the time its re-organisation was considered in 1981, it was operating ATC centres in Holland, Belgium and Republic of Ireland. It was also providing technical and training services through the Experimentation Centre in France and the Institutes of Air Navigation in Luxembourg.

An important role of EUROCONTROL, since 1st November 1971, has been the collection of route charges. Uniform route charges for direct collection from airlines have been formulated(65). Detailed rules are made regarding rates, conditions of application, mode of payment and collection of these charges. The rules apply both to the upper and lower space, the latter being brought in only for the route charges regime. EUROCONTROL Agency has determined that the locus of payment is Brussels and, therefore, any dispute about user charges can be litigated in one of the courts in that city(66). Even though a judgment may be issued by a Brussels court (mainly Tribunal de Commerce) against an airline, an enforcement order for it in the territory of another State may not be forthcoming. It will only be possible if the courts of that State are ready to construe the governing provisions of the municipal law and the international obligations to justify such an order.

A single bill is presented to a user airline for the operation of a flight throughout the upper and lower airspace of the member States. The distance flown and the square root of the weight of an aircraft are used as criteria for calculating air navigation charges(67). The rate of recovery from the airlines in November 1971 was 15%, rising in 1979-81 to 100%, and since 1st April 1982 the level of charges has been based on forecast costing in respect of the year in which they are payable(68).

Certain airlines questioned the legality of the EUROCONTROL route charges system. In an administrative court of the Federal Republic of Germany, the LTU airlines contended that the delegation of collection of charges to EUROCONTROL was an illegal transfer of sovereign rights in contravention of the German Constitution. However, this attempt, other than producing substantial postponement of payment, did not produce a positive legal finding in favour of the airlines(69).

The attitudes to the regime were mixed. While the airlines were critical of the route charges, the Organisation has been praised by the internationalists and functionalists and, with reservations, by the Director General of IATA(70). However, the factor which was decisive, for the embodiment of substantial changes in the 1981 protocol discussed below, was the dissatisfaction of member States(71).

Review and Modification of EUROCONTROL

In view of the fact that the first 20-year term of EUROCONTROL was due to expire in 1983, the Permanent Commission (the policy-making organ of EUROCONTROL) in 1974 started a study "aimed at defining the role of the Organisation after 1983"(72). Not only were the technical, social and economic factors considered, but also the traffic services needs were revised to meet both the civil and military requirements. The first stage of the study examined the way in which the fundamental principles of the 1960 Convention had been applied. The second stage of the study gave consideration to any modifications which were necessary to adapt the Organisation to the coming two decades. The essence of this study is as follows(73):-

(a) The concept that EUROCONTROL was responsible for the upper airspace, above 20 to 25 thousand feet, was found unsatisfactory, "either operationally, technically or financially". Flexible use of the lower and upper airspace was considered to be desirable. The environment aviation hazards were more pronounced in the lower airspace and, therefore, it was felt that a coordinated approach at the national level was the best to resolve all potential conflicts of interest.

(b) "While bearing in mind the NATO applications of some of the existing EUROCONTROL member States"(74), the acceptance of new members was considered to be desirable in the interest of improving efficiency of provision of ATC services. Recognising the work of ICAO in Europe, the study regarded it as essential, because as EUROCONTROL will expand the two Organisations can complement each other better, rather than compete with each other.

(c) The recovery of en route charges (gradually reaching the 100% mark) was found successful and the study noted that it "had eliminated the need to finance communally the expenditures involved".

(d) "More intensive consultation between the providers and users of the services", the study said, were needed to make en route charges economical to the users. This was also needed to improve the organisation of air transport flow and, particularly, to conserve fuel.

(e) Recognising the unpredictability of technological and operational growth of air transport, the study came down in favour of maximum flexibility so as to adapt the system to varying requirements, in particular areas and at particular times.

The above review took over seven years. It was thorough and dealt with many complexities which surround a multinationally run technical and functional organisation(75). The review culminated in the adoption of text of a protocol by the Permanent Commission on 20th November 1980.

A diplomatic conference was convened on 12th February 1981 in Brussels.

Other than the seven long-standing members, BENELUX, U.K., Germany, Ireland and France, the old associate member, Portugal, signed the following instruments:-

(a) The Protocol Amending the EUROCONTROL International Convention Relating to Cooperation for the Safety of Air Navigation of 13th December 1960. Forty-three articles of this Amending Protocol revoke, amend or replace thirty-one articles of the 1960 Convention which has 42 articles. Since the 1960 Convention was due to expire on 28th February 1983, this Amending Protocol was intended to provide the new regime. However, it is provided that, until the new regime comes into force, the old regime will continue. This has been the case and the new regime is expected to be effective only on, or after, 1st January 1986(76).

(b) The Multilateral Agreement on the Collection of Route Charges which was signed by the above eight members and three associate members, Austria, Spain and Switzerland.

(c) The Final Act which was signed by all of the parties. It has no legal force but embodies the relevant instruments in a single booklet. No ratification of the Final Act is required, as it is only a document for convenience of reference.

Modified EUROCONTROL

It is considered advisable to describe the institutional structure of EUROCONTROL as it will exist after the implementation of the new regime (possibly in 1986) which makes radical changes to its mandate. Indeed, to do otherwise would mean to produce a rapidly perishable description. However, many refinements of the previous system have been preserved and these will not be left out. Discussion on the re-organised EUROCONTROL will be developed in the following order:-

1. Objectives of EUROCONTROL
2. Organs of EUROCONTROL
3. Some General Aspects of EUROCONTROL

1. Objectives of EUROCONTROL

European Organisation for the Safety of Air Navigation, EUROCONTROL, acting "in cooperation with the national civil and military authorities" of the member States, is entrusted with the accomplishment of the following tasks(77):-

(a) To analyse the future needs of air traffic and new techniques for meeting such needs.

(b) To develop and adopt common long-term objectives in the air navigation field.

(c) To coordinate the medium-term national plans, to attain the aforementioned long-term objectives.

(d) To promote common policies for ground and airborne air navigation systems and training of ATC staff.

(e) To study and promote measures for improving economic and operational efficiency of ATC services.

(f) To promote and conduct studies, tests and trials relating to air navigation.

(g) To coordinate the Contracting Parties research and development programmes relating to new techniques of air navigation.

(h) To examine matters in the field of air navigation being studied by the International Civil Aviation Organisation (ICAO) and other organisations concerned with civil aviation.

(i) To study amendments to the regional air navigation plans to be submitted to ICAO.

(j) To perform any other task under Art.1.1(C), whereby it may be entrusted with some other concerted measures necessary for ensuring safe and orderly flow of air traffic.

(k) To assist the Contracting Parties and interested non-member States in the institution and operation of an international air traffic flow management system.

(l) To establish and collect charges levied on users of air navigation services, in accordance with the Multilateral Agreement Relating to Route Charges and on behalf of the Contracting Parties and associate States.

The member States can entrust any engineering or ATC operations to EUROCONTROL. Such operations may also be entrusted by non-member States, subject to a bilateral agreement(78). The associate members, under the new arrangements, may participate in the organs of EUROCONTROL, particularly in the traffic flow management(79).

Under the modified regime, EUROCONTROL will have more of a policy-making role. Only Maastricht centre is envisaged to be operated by it and the other centres are destined to be controlled by the States concerned. Even though the EUROCONTROL Permanent Commission on 20th November 1980 strongly favoured the notion of a single administrative authority for the upper and lower airspace, on 23rd November 1982 the ministers of Germany and BENELUX countries, which are served by Maastricht, rejected a proposal to extend the control of this centre to the lower airspace(80). Removal of operational functions from EUROCONTROL will make it more like a non-functional organisation.

The most important participation of associate members in EUROCONTROL is the collection of route charges by the latter on behalf of them. The "single" billing system for the whole of the EUROCONTROL airspace is attractive to these members due to its administrative convenience.

2. Organs of EUROCONTROL

In the execution of functions, EUROCONTROL is assisted mainly by two organs - the Permanent Commission for the Safety of Air Navigation and the Agency for the Safety of Air Navigation.

The Permanent Commission is responsible for "formulating the Organisation's general policy"(81). It is composed of representatives of the member States, representing both civil and defence interests. When issues of route charges are discussed, the representatives of associate States are allowed to participate in its proceedings.

The Commission makes policies to give effect to the special agreements concluded by EUROCONTROL with member and non-member States(82). In respect of some of the tasks, to be performed by EUROCONTROL, the participating States may have to commit themselves to "common action"; in such cases the Commission makes the final decision or recommendations(83).

The Commission reviews and approves the work and investment programme of the Agency. It issues directives to the Agency and has power to take "all necessary measures" in exercising its supervisory powers(84). It approves regulations relating to staff, finance or any other matter. Special agreements, negotiated by the Agency, require the Commission's approval and international legal proceedings are instituted by it in certain matters.

The Permanent Commission, contrary to its name, meets twice a year. The vote of each State is weighted and a weighted majority is required to make a decision. Overriding national interest can justify derogation of a State from a unanimously reached decision, initially for six months(85). The Commission, unanimously, can modify the Statute of the Agency(86).

The Agency, the second main organ, is responsible for the actual performance of the tasks which may include the formulation of policies and plans or operation of ATC facilities of EUROCONTROL "entrusted to it by the Convention or by the Commission"(87). Due to the curtailment in the operational role, the new regime calls this organ the "Agency for the Safety of Air Navigation", instead of "Air Navigation Services Agency" under the 1960 Convention(88).

Only the Maastricht centre remains the operational responsibility of EUROCONTROL. It will be governed by the old regime and the capital investment will be provided by the seven long-standing members. The operating cost, however, will be borne by West Germay and BENELUX countries whose airspace is served by this centre. Since political control is being preferred to the economic and operational benefits, some members are reluctant to enhance the operational function of the Agency(89).

The Agency is authorised to build, if necessary, air traffic research and experimental centres, air traffic flow centres and schools for the training of ATC personnel. Accordingly, the Experimentation Centre at Bretigny in France and the Institutes of Air Navigation in Luxembourg are not affected by the Amending Protocol. Whenever appropriate, it is required to make use of the installations of member States to avoid duplication(90).

A Committee of Management and the Director General control the Agency. The Committee is composed of representatives of member States. The principal representative is required to be a highly placed official exercising in his country responsibilities in matters of air navigation. When the Committee deals with any aspect of the Multilateral Agreement Relating to Route Charges or a special agreement with a non-member

State, the membership of the Committee is enlarged.

The Committee prepares the work to be considered by the Permanent Commission and assists it in the formulation of policies. The Commission can delegate its powers to the Committee e.g. to conclude agreements for supplies, etc. Regulations relating to tenders, requisitions, supply of goods and conduct of its own proceedings are formulated by the Committee and come into effect on approval of the Commission(91).

Under Art.5 of the Statute of the Agency, the Committee of Management cannot validly deliberate unless all of its members, but one, are present. The Committee of Management has a wide range of functions which include the preparation of operational, technical and financial plans, in accordance with the objectives of EUROCONTROL which are to be effected by the Agency. Regulatory decisions of all types relating to the administration of the Agency are made by a weighted majority in the Committee of Management. A majority vote in this context means the majority of the weighted votes of the members present and voting in a particular meeting(92). However, two-thirds of the weighted votes cast are needed for the appointment of the Director General.

The Director General is the chief of the administration of the Agency. Under his full-time administrative leadership, the employees of the Agency perform all the functions relating to managing and operating the air navigation facilities, as well as dealing with planificatory assignments, technical experimentation and vocational training. The

Director General is appointed for five years and he is eligible for reappointment. The Director General represents the organisation in all legal proceedings and civil matters. In conformity with the policy established by the Committee of Management, he performs the following functions:-

(1) The efficient operation of the Agency.

(2) Appointment of Staff in accordance with the Staff Regulations, as well as their termination on the appropriate grounds.

(3) To meet the financial needs of the Agency, he may borrow money for a term not exceeding one year, in accordance with the limits imposed by the Financial Regulations and within the limits determined for that purpose by the Commission.

(4) He may enter into contracts for supply of goods and services to the Organisation, in accordance with the regulatory conditions and limits laid down for this purpose.

The Director General keeps the Committee of Management fully informed of the measures taken pursuant to above functions(93).

3. - Some General Aspects of EUROCONTROL

The complex network(94) of Treaties governing the activities of

EUROCONTROL must have presented a formidable challenge to the experts who worked on the documents presented to the diplomatic conference of 12th February 1981 in Brussels. While they had the objective of preserving the continuity by ensuring a flexible system, adaptable to new technological developments, their job was made further complicated by the desire to make the new system attractive to other countries which may wish to join EUROCONTROL in future. The principle of unanimity in the Permanent Commission, and employment of weighted voting, signify two of the safeguards entrenching the interests of the current members. Nevertheless, "an imaginative effort" has been made to achieve, at least in the text, a straightforward coordinated system(95).

The States which are only party to the Multilateral Agreement Relating to Route Charges may, as an innovation under the new arrangements, participate in the Permanent Commission or Committee of Management. Even though the Multilateral Agreement does not deal with the Traffic Flow Management, the modified regime has provided a possibility of participation by the Associate members to deliberate on this topic in the organs of EUROCONTROL. However, since such participation has to be unanimously agreed to by the Permanent Commission, and any member can obstruct the authorisation for this purpose, nothing has been given away irrevocably.

The Statute of the Agency for the Safety of Air Navigation details the method of determining the financial participation of the member States. No member can control a financial segment exceeding 30% of the total contributions. The first 30% of the financial participation is calculated with reference to the Gross National Product, while the remaining 70% is based on the costs of the air navigation facilities(96). The review of financial and operational affairs is mainly conducted by the Permanent Commission which is assisted in this aspect by the Committee of Management. Since the voting is weighted, and since the financial participation is delimited to a maximum of 30%, most of the decisions take account of everyone's interest and are acceptable to all.

Only a majority of votes (rather than unanimity) is required for the decisions of the Committee of Management and Permanent Commission, and these decisions, as well as the supervisory directives of the Commission, are binding on all members; even on those who voted against them. A State wishing to derogate from any such decision will have no other alternative than to leave the Organisation.

EUROCONTROL is one of the few international institutions which possess their own resources. Under the original Constitution of 1961, the Route Charges were considered as the resources of the Organisation(97). After coming into force, the 1981 Protocol will retain this financial character of the Organisation. However, in the juristic sense, this obligation has been altered and now the resources of the Organisation will be those placed at its disposal by the member States, in accordance with Art.19 of the Statute of the Agency.

Since this treaty provision requires the payment of these funds to be made by member States directly to EUROCONTROL, and not to one of them, the Organisation has a claim against its members. While in a traditional manner a Contracting State can take a dispute with another Contracting State to arbitration, EUROCONTROL can also refer a dispute "between the Contracting Parties and the Organisation"(98) to arbitration through its Permanent Commission. Such disputes can pertain to matters relating to application and interpretation of the Convention and its Annexes, including all financial provisions. The arbitral tribunal, having one nominee from each party and an umpire jointly selected or appointed by the President of the ICJ, is entitled to determine its own procedure, and its decision is "binding on the parties to the dispute"(99).

The Protocol of 21st September 1978 exempted the EUROCONTROL staff remuneration from national taxation and the Permanent Commission introduced an internal tax(100). Before this Protocol came into force, the EUROCONTROL officials were given tax compensation. It was calculated in such a way that they received the same net salaries as their opposite numbers from the State of posting. On the other hand, the member States were required to reimburse to the Organisation the amount of tax collected by them, in accordance with the July 1970 Protocol. Another Protocol was concluded in 1978 but it did not affect the privileges, immunities ~~and exemp~~tions of EUROCONTROL.

Considerable privileges and immunities were granted to the Organisation by 1960 Convention and these are not affected by the 1981 Protocol. Along with the preservation of the pre-existing privileges and immunities relating to taxation, customs duty, monetary transfers and inviolability of archives, air navigation facilities and other premises of the Organisation, the 1981 Protocol incorporated a number of new proposals for strengthening or extending them, where an explicit provision was essential, for instance, to obviate any inconsistency with any rule of Customary International Law. Under the new regime, the following privileges and immunities have been made pronounced:-

(a) Freedom of circulation of publications and other information, sent by or to the Organisation(101).

(b) Privileges connected with the immigration and registration of aliens, to facilitate the employment and movement of appropriate staff(102).

(c) Facilities for the repatriation of international staff in time of international crisis(103).

(d) Inviolability of staff and representatives of member States, in respect of all official documents and papers(104).

(e) Exclusion of national jurisdiction of the Contracting States in respect of disputes between the Organisation and the personnel of the Agency(105).

(f) Preservation of the current Social Security provisions between the Organisation and member States and, if necessary, modification of them by bilateral agreements(106).

The Agency for the Safety of Air Navigation has the power of command over the pilots flying through the EUROCONTROL airspace. The pilots have to comply with directions and instructions issued by it. The flight plans are also approved by the Agency(107). Administrative reports may be made by the officials of the Agency, and the findings of these reports have a quasi-judicial status in the national courts of the member States(108).

EUROCONTROL has been endowed with a Legal Personality, both at national and international levels, under its constitution. This legal personality has enabled it in the past to enter into internationally binding agreements with the associate members (Austria, Spain, Swiss Confederation and Portugal). It has enabled these States to become parties to the Multilateral Agreement Relating to Route Charges which equally binds the full members. The Agency has "the fullest legal capacity to which corporate bodies are entitled under national law"(109) in the territories of the member States. When EUROCONTROL concludes an agreement with an associate member, it also acquires the same legal capacity in the territory of that associate member(110). Insofar as proceedings in municipal courts are concerned, an administrative court of the Federal Republic of Germany duly acknowledged the legal capacity of EUROCONTROL Agency (the organ which, exercises the legal personality) to bring a dispute for adjudication in one of the national courts of the member States(111). The court unambiguously pronounced that the Organisation, under the provisions of its constituent documents, had the final choice as to the Forum in which it wished to implead(112).

Chapter 9

A COMPARATIVE OVERVIEW of INMARSAT, EUROCONTROL and SITA

Preliminary Remarks

As it is apparent from the first 6 Chapters, this thesis revolves around a comprehensive institutional model of SITA. This is the first time that SITA has been thoroughly explored and, therefore, a considerable time and effort has been devoted to this institution. This made it virtually impossible to bring into focus other INGOs e.g. IATA. Furthermore, exploration of an institution like IATA would not have been so fruitful because it has already been adequately examined by other writers(1).

Two examples of IGOs (INMARSAT and EUROCONTROL), rather than a single example, have been selected because they illustrate both the global and regional dimensions. Also, not a lot has been written about them and, due to some recent institutional developments, they can be presented in comprehensive detail without much duplicity. Indeed, INTELSAT is an older example of the type of institutional structure adopted, a few years later, by the International Maritime Satellite Organisation (INMARSAT). But INTELSAT is not described in this thesis, since it has been elaborated in extenso by Prof. Matte and other authors(2).

Bearing in mind the above considerations, it should not be overlooked that the three institutions surveyed in this thesis are merely "examples". Most of the arguments pertaining to SITA can apply mutatis mutandis to other INGOs e.g. IATA, International Chamber of Commerce, Amnesty International, etc. Likewise, most of the legal aspects connected with the institutions of INMARSAT and EUROCONTROL are also applicable to other IGOs and, in cases like INTELSAT, with equal if not more force.

COMPARATIVE OVERVIEW

SITA has in common with the institutions of INMARSAT and EUROCONTROL the following characteristics:-

(1) Organic Structure
(2) Usage of Weighted Voting
(3) Possession of Infrastructure
(4) Nature of Services
(5) Criteria for Supply of Services

(1) Organic Structure

All of the three institutions are "international". The member airlines of SITA come from 154 nations, INMARSAT has 39 State members and 11 States are involved in EUROCONTROL as full and associate members. The internal distribution of powers, responsibilities and duties is similar to one another through the possession of resembling organs as follows:-

(a) All of them have a plenary organ. INMARSAT has an "Assembly" of State parties which ordinarily meets every two years. The General Assembly of SITA Member Airlines meets at least once a year and the Permanent Commission for the Safety of Air Navigation of EUROCONTROL is required to hold its meetings twice a year. The plenary organs deal with the formulation of broad policies, conduct an ex post facto review of other organs and possess general residiuary powers including the finalisation of admission, suspension or expulsion of members, dissolution of the institution or modification of its constitution.

(b) All of the three institutions possess a small, select and powerful secondary body which makes the important decisions and closely supervises management. The Council of INMARSAT which generally has 22 members fulfils this role by deliberating at least thrice a year. The 25-member SITA Board of Directors meets at least 4 times a year and the Committee of Management of the EUROCONTROL Agency for the Safety of Air Navigation discharges this function by closely supervising the Agency's activities and presenting detailed reports and recommendations to the Permanent Commission.

(c) Managements of the three institutions are headed by Directors General who are responsible for the day-to-day operations of their respective bodies and satisfactory provision of services. The Director

General of INMARSAT is appointed for 6 years, of EUROCONTROL for 5 years, and of SITA for an indefinite duration. Of course, like the Directors General of INMARSAT and EUROCONTROL, the D.G. of SITA is dismissible on grounds of misconduct, etc.

Technical experts are appointed to the secondary bodies, directorates and other offices and facilities of the three institutions. This has resulted in the pooling of research and technological resources by these institutions; thus minimising any waste by duplicity of effort or undue political procrastication in the implementation of purely operational projects.

(2) Usage of Weighted Voting

Every SITA member is allocated voting participation commensurate with its financial share in the organisation. Out of the 25 Directors, 18 are nominated by airlines holding 20 or more shares, while the remaining Directors are proposed by groups of airlines holding 50 or more shares collectively. Members of the INMARSAT Council and the EUROCONTROL Committee of Management also exercise voting power attributable to their respective financial contributions. In ordinary cases a simple weighted majority is required, but a qualified majority (e.g. two-thirds) is stipulated for important decisions such as the appointment of Director General.

The concept has been taken a step further insofar as SITA and

EUROCONTROL are concerned. Weighted voting is also used in the plenary organs of these two institutions i.e. the EUROCONTROL Permanent Commission and the SITA General Assembly.

The possession of one vote by every member, regardless of its financial and operational share, gives rise to one principal problem. The majority of small States, not even responsible for the provision of 10% of the institutional finance, can generate a decision causing the rest of the membership to incur huge costs for the implementation of that decision. A converse risk is inherent in weighted voting. One or two strong States can possess 60, 70 or 80 per cent of the capital, become entitled to the relevant weighted vote and "monopolise" the control over the institution.

INMARSAT, EUROCONTROL and SITA impose upper limits on the entitlement of weighted vote which can validly be held by a single party, thereby eliminating any risk of monopolisation of control. No member airline, or a group of airlines belonging to a single holding or a single nation, can control more than 20% of the share capital of SITA. On the other hand, no State party is allowed to exceed, in respect of EUROCONTROL, the 30% and, in respect of INMARSAT, the 25% limit of weighted voting(3). By restricting one national holding to 20%, SITA ensures a better sharing of control than the other two institutions which have higher limits.

(3) Possession of Infrastructure

Another feature which is present in all three institutions is that they possess, control and operate technical facilities worth millions of dollars. SITA, in 1982, had major transmission and data processing complexes in Paris, London, Atlanta and other regional offices, as well as possessing 174 worldwide switching centres. In addition to having a substantial investment in the "space segment", comprising satellite telecommunication capacity, INMARSAT maintains an Operations Control Centre in London, performing a centralising function among three Network Cooordinating Stations, Satellite Control Centres and Coast Earth Stations located in other countries.

EUROCONTROL operates the Maastricht ATC facility in Holland which also provides services in the upper airspace of Federal Republic of Germany, Luxembourg and Belgium. It also runs the Experimentation Centre in Bretigny, France, and Training Institutes for its members in Luxembourg.

(4) Nature of Services

INMARSAT and SITA coordinate telecommunication services internationally for the benefit of operators and users of ships and aircraft respectively. In view of the provision of air traffic control services in the upper airspace of its member States to public and private operators of aircraft and individual navigators, EUROCONTROL took pride in its early years to describe itself as the "first international service"(4). Even though the modification brought about by the amending protocol of 12th Feb. 1981 has curtailed the operational activities of EUROCONTROL, its role in the collection of route charges remains unaltered. Furthermore, it has assumed additional responsibilities in coordinating and planning air traffic flow management systems and air traffic staff training programmes.

The essentiality of provision of telecommunication services through INMARSAT and SITA on an international basis is obvious, in view of the frequent crossing of territorial boundaries by ships and aircraft. The coordination, planning and provision of ATC services in Europe by a single body can also be regarded as essential, since small States such as Luxembourg cannot deal with this aspect individually due to the high speed of modern jetliners and a relatively brief time spent by them in the airspace of a small country. Indeed, this was one of the most important reasons which inspired, in late 1950s, the idea of the establishment of an European organisation dealing with the provision of ATC services(5).

(5) Criteria for Supply of Services

The user charges for telecommunication services are levied by the INMARSAT Council on the basis of availability-to-all without any discrimination(6). The same is true in respect of EUROCONTROL and SITA. All three institutions are international cooperatives and have no profit motive.

It is the main objective of the SITA Cost Sharing Scheme to attain the best balance between the expenses and costs. Ideally, the Scheme strives to produce an annual turnover to be exactly equal to the expenditure incurred by SITA in that particular year. No distinction is made by any of the three institutions between governmental or non-governmental consumers in the supply of services.

The only important difference, in the context of this thesis, between SITA and the other two institutions is that the latter are established by treaties among States, specifically endowing them with functional ILP. However, as illustrated in the next chapter, many jurists argue that this is a formalistic or procedural, rather than a substantive, criterion for determining legal personality. They would like to see the current International Law to be reformed in such a way that international institutions can be treated as international persons, even though they are not created by inter-State treaties. This reform *does not* encompass a wholesale transformation of every international body. Instead, it envisages the extension of the realm of International Law whereby institutions meeting certain conditions can be treated as international persons, if the protection, or control, of International Law is desirable. Objective "international" character of an institution and the level of its usefulness to the world as a whole can be a part of the conditions precedent to treat it as an international person. This argument, along with its related implications, will be thoroughly explored in subsequent pages.

Part III

Legal Status in International Law

Prelude to Part III

This part, which has only one chapter, collates the conclusions of the thesis. Even though the generalities of international institutions were covered in Chapter 7, the presentation of a historical sketch of the origins of the legal status in International Law has been necessary to give system to the discussion.

The debate has been extended to the progressive and pragmatic approaches to the conferment of ILP. A brief reference has been made to the evolution of *International Law* - a body of rules growing every day to keep in step with new requirements of international life, and still far away from the point of "maturity". In this Part, an evolutionary pattern has been spread out before the eyes of the reader, to illustrate how IGOs became the "subjects" of International Law. In conjunction with the content of Chapter 7, the examination discloses the following stages in the evolution of International Legal Personality:-

(a) Sovereign States acting alone, without coordinating any body of rules - a phenomenon which prevailed only three or four centuries back.

(b) Sovereign States coordinating their behaviour by formulation of rules of International Law of multilateral applicability; a stage which continued until the latter part of the nineteenth century when the States considered themselves to be "absolute" sovereigns, and arrogated to themselves the exclusive capacity of being the "subjects" of International Law.

(c) It is the third stage during which International Inter-Governmental Institutions made their presence felt and the vesting of International Legal Personality (even though in a limited form) was extended to extra-State entities.

The author believes that, in this continuum of growth, we are now at the fourth stage of the evolution of the legal status. In this stage, not only is the legal status of the International Inter-Governmental Institutions to be consolidated further, but also a start is likely to be made on the endowment of this status (initially, in a limited and a qualified form) on the International Non-Governmental Institutions. This will, to borrow Hersch Lauterpacht s words, "infuse into international relations a humanizing and civilizing element" ensuring better legal protection for non-State entities by dissociating them from assertions of sovereignty by disperate States. (Lauterpacht, E. (ed.), I *International Law - Collected Papers of Hersch Lauterpacht* (1970), p307)

In this phase of development, the improvement in the international legal status of Non-Governmental Institutions may very well start with worthy institutions such as SITA. Non-profit, cooperative, transborder in operation, performing operations which cannot be performed within the territory of one State, etc., are the prominent features of SITA which have prompted the author to propose an "objective" approach to the ILP of the institutions of this kind.

An "objective" approach is not new to the logic of law and it has been applied in different contexts. It was, for instance, resorted to by the ICJ to determine if the U.N. had a legal personality operable on the international plane. Many municipal systems have applied the "objective" test to ascertain whether a transborder body emanates from a State and, therefore, is worthy of sovereign immunity. An objective approach has been incorporated in many civilised municipal legal systems - in numerous jurisdictions even "unincorporated" associations have been given the same protection as the duly "incorporated" bodies.

What is being suggested in this work is merely the progressive modification of International Law - a process which has not stopped over the previous centuries, and no-one has thus far objected to its dynamic continuity. Indeed, if pragmatism had not nurtured the evolution of law, the slaves would have never acquired the rights of free men, and the women would still have been deprived of many jural capacities.

Finally, it must be stressed that the review of the *current* rules of International Law, as well as the Constitution of SITA, has revealed that SITA only has a "Municipal Status" exercisable under the legal regime of Belgium. It is stuck with this minimum status, exactly like any other corporate body registered in Belgium, until relevant changes are brought about in the rules of International Law. This remains the case, even though there is a considerable quasi-governmental content present in the constitutional framework and activities of this institution.

Chapter 10

CONCLUSION

The Legal Personality of SITA

Only two centuries ago, jurists were not sure whether there was a body of rules which could be categorised as "International Law". Devotees of the school of positivism had great difficulty in imagining the existence of any branch of law which was not created by act of a supervening independent sovereign, and disobedience of which was not subject to the coercive enforcement of such an entity. Insofar as Municipal Law was concerned, this requirement was met by the presence of a sovereign king, or a parliament but this was not true in the case of sovereign States which claimed to be equal to one another and had no hierarchical system.

Even though consensual in nature, and for the most part devoid of any supervening coercive force for the implementation of its rules, International Law is now acknowledged to be a body of binding rules in the conduct of inter-State relations(1). The reciprocity of application of International Law, the probability of the offender State being isolated in the realm of international affairs and the stigma which attaches to a persistent violator of International Law are some of the good reasons for the subjects of International Law to behave within the framework of the international legal regime. An important fact which improves the overall statistics of the obedience of International Law is the fact that sovereign States are territorial realities. They are easily identifiable and, unlike the criminals in the Municipal Legal System, cannot run away from the scene of their violations.

No visible and tangible presence of International Law, as a well defined body of legal rules, is traceable only three or four centuries in the past. The concept of a sovereign State was also not yet fully developed. Only a few European States were involved in transnational exchanges on a limited scale; while the American, Asian and African countries were either submerged under colonialism or wrapped in the anonimity. The benefits of commercial and cultural exchanges and, most importantly, of acquisition of political and military allies became soon apparent, thus leading to an increased international intercourse. The practice emerging from the interaction between various States, through their Foreign Offices, legations and diplomatic representatives, as well as the contents of bilateral agreements concluded by different States, remained the only sources of rules of International Law for a long time. Through the accumulation of State Practice, when a rule had acquired sufficient continuity, clarity and universality, it was treated as a part of Customary International Law and was respected and applied in the subsequent conduct of inter-State relations(2). The first "conscious" effort(3) to formulate rules of International Law through a multilateral mechanism was, probably, the Declaration by the Congress of Paris in 1814 which enunciated the principle of freedom of navigation on international rivers. Thereafter, a variety of conferences were convened in which rules of International Law were defined in respect of different activities of an international nature.

The rules of International Law were formulated by, and made applicable to, sovereign States, exclusively. Other entities were not entitled to operate on the international plane. Such an entity was governed by the municipal law of the particular country in which it was recognised as a legal person.

With the growth in cross-border contacts and, therefore, the inauguration of new fields of application of the rules of International Law, this situation became unsustainable. Admittance to the realm of the subjectivity of International Law was gradually extended to non-State entities. Initially, this extension was in a very limited and qualified form. Exceptions to the concept that only sovereign States could become the subjects of International Law were already present in the international system. Even though they do not fulfil all of the necessary conditions of statehood (as detailed in Chapter 7 supra), the Sovereign Military Order of St. John of Jerusalem, of Rhodes and of Malta, the Principality of Monaco and the Holy See have been enjoying the attributes of International Persons for a long time(4). The following features of the Holy See, for instance, may be cited in support of it being endowed with ILP(5):-

(a) It maintains a Permanent Observer Mission, as a non-member State, at the United Nations.

(b) It has signed over 100 multilateral treaties. These treaties include the Vienna Convention on Diplomatic Relations, 18th April 1961, and the Treaty on Non-Proliferation of Nuclear Weapons, 1st July 1968.

(c) In 1983, 109 States exchanged ambassadors with the Holy See (the ambassadorial officer of the Holy See is known as the Apostolic Nuncio). These States - which include France, Federal Republic of Germany and the U.K. - were joined by the U.S. on 10th Jan. 1984 when it restored de jure diplomatic links after a period of 117 years by appointing an ambassador to the Holy See.

The restrictionists, who were then in majority, believed that the subjects of International Law were limited to sovereign States. They stressed that international institutions were merely the "common organs" of their member States. This implied that they had no separate personality in the international legal order. Since under this theory they could not proceed in their own name, the protection of their interests was only possible if the collectivity of their membership was willing to commence protective action on their behalf. However, the membership of these institutions, which was supposed to be composed of absolute sovereigns, did include some entities which could not be regarded to be so. The Universal Postal Union (UPU) had accepted as "full" members a number of colonies, specifically enumerated in its Constitution, and other institutions permitted dependent territories to join as associate members(6). Dr. Poulose categorises this treatment as "anomalous" because territories under colonial domination or mandate were not regarded by contemporary jurists as "full, perfect and normal subjects of International Law"(7).

To attain certain goals, States have constituted collective juridical entities which are capable of acting as potent international legal persons. Sometimes, these bodies can evolve in such a way that, without being either equal or superior to the sovereign States which constitute them, they acquire a life of their own and the powers given to them by their member States cannot be retrieved by them. Referring to the Mandate in respect of South-West Africa, the International Court of Justice (ICJ) said that the "juridical regime" for the supervision of the Mandate was established within the institutional framework of the League of Nations and the League alone was entitled to supervise it(8). The Court further observed that "there was no similar recognition of any right of being additionally and independently vested in any other entity such as a State, or as existing outside or independent of the League as an institution"(9). Rejecting the claim of the applicant States to any separate right of supervision, the Court pronounced: "Accordingly, viewing the matter in the light of the relevant texts and instruments, and having regard to the structure of the League, within the framework of which the Mandate system functioned, the Court considers that even in the time of the League, even as members of the League when that Organisation still existed, the Applicants did not, in their individual capacity as States, possess any separate self-contained right which they could assert, independently of, or additionally to, the right of the League."(10) In addition to acquiring distinct and powerful juridical status in International Law, the Inter-Governmental Organisations (IGOs) may have the capacity to influence substantially international affairs. Even though the wishes of some States may not find favour with other States, they may yet be realised if they are supported by an institutional decision. Bolivia, Chile and Uruguay complied with the resolution of the Organisation of American States (OAS), calling for severance of diplomatic relations with Castro s Cuba, although they had voted against the resolution(11). Coercive pressure was used against the United Kingdom to conform with a U.N. call for a cease fire in the Suez crisis when the IMF withdrew its institutional support from stabilising the value of the pound sterling which was rapidly depreciating(12).

PROGRESSIVE APPROACH TO THE
STATUS OF INTERNATIONAL INSTITUTIONS

Until the end of the second World War, International Legal Personality of international institutions was usually linked to the municipal legal systems of member States. If a national constitution did not have an enabling provision, the member was not obliged to acknowledge this personality(13). The Charter of the United Nations went a step further. It removed the dependence of the legal capacity of the U.N. on the existence of favourable provisions in the municipal law of a member State. The Charter provided, "the Organisation shall enjoy in the territory of each of its members such legal capacity as may be necessary for the exercise of its functions and the fulfilment of its purposes"(14). No mention, however, was made in the United Nations Charter about the possession of International Legal Personality by the U.N. In the *Reparation for Injuries Case (1949)*, as detailed in Chapter 7, the ICJ surveyed the provisions of the Charter and held that the United Nations had International Legal Personality, enabling it to bring claims against sovereign States on the international plane, and that this ILP was "objective" in nature and was operative even against non-member States(15).

ICJ's view that the United Nations (therefore, by analogy other international institutions) could have an "objective" International Legal Personality, operative even against the non-member States, has been categorised as erroneous, since it does not conform with the notion that International Law is formulated on a "consensual" basis. Commentators who take this view highlight the fact that a non-member State is not bound by the ILP of an international institution because, by not subscribing to its membership, the State concerned has not "consented" to acknowledging a personality of that kind(16). However, Western jurists are not hostile to the amplification of international persons through appropriate constitutive processes of International Law. The most restrictive approach in this context has been taken by jurists from Soviet bloc countries(17).

Many authors, on the other hand, are ready to employ vigorous legal reasoning to determine whether a particular international institution has gained sufficiently wide recognition that, having regard to its functions and purposes, it should have an ILP. They imply ILP in this manner, whether or not it has been expressly conferred upon the institution concerned by its Constituent Document. They believe that such ILP should be objectively recognised by all States, including those which are not its members(18). While stating that the Eurocontrol has unreservedly been endowed with ILP, a Continental author wrote in 1982 that "according to most authorities on the subject, (it) can be invoked even against non-member States"(19). The author then goes on to say that "the Convention cannot impose a priori on non-member States the arrangements for the exercise of that legal personality on their territories"(20). His approach illustrates the caution exercised (and which ought to be exercised) by those who propose modifications of the entrenched tradition, advocating the "consensual" origin for the formulation of every rule, rather than applying legal logic and reasoning to the issue to identify the elements which may justify the treatment of an entity as an international person.

There is, however, no conflict among the jurists that an ILP can be implied in respect of an IGO if, as elaborated in Chapter 7, it can meet with certain objective criteria. In practice, even though it may be exceptional to do so, States are willing to go considerably further in conferring ILP, or some qualities of it. The Convention for the Establishment of the Central American Court of Justice, 20th Dec. 1907, for instance, recognises an international legal standing of individuals. In addition to adjudicating inter-State disputes, the Convention provided that the Central American Court of Justice "shall also take cognizance of the questions which individuals of one Central American country may raise against any of the other Contracting Governments because of the violation of treaties or conventions, and other cases of an international character, no matter whether their own Government supports the said claims or not, provided the remedies which the laws of the respective countries provide against such violations have been exhausted, or that denial of justice shall have been shown"(21).

Of the current IGO constitutions, the constituent document of the European Atomic Energy Authority (Euratom) is a modern illustration of this trend. In addition to having powers to enter into legal relations with third States and IGOs, by virtue of Art.238 of the EEC Treaty 1957, the Authority "may within the limits of its powers and jurisdiction enter into obligations by concluding agreements or contracts with ... a national of a third State"(22).

These developments have convinced many jurists that, although it may be a good working generalisation for a practical international lawyer, "the theory that States are the exclusive subjects of International Law cannot be accepted today as accurate in all respects"(23).

STATUS OF INGOS AND SITA

It is apparent from the above summary of the rules of International Law that the International Legal Personality is fully enjoyed by sovereign States, sovereign-like entities and those IGOs which possess certain features. No specific rule of International Law exists to confer ILP on non-governmental institutions. However, this approach to the status of INGOs has been criticised for decades by many jurists who advocate that by the transformation of these bodies into "international corporate legal persons", the States and the international community, as a whole, can expedite the achievement of the goals of international peace and economic development. This will also eradicate any anomalies which may arise from the nexus of an INGO with a single municipal legal system.

Quoting a resolution of the Grotius Society which stressed that "International Law should embrace economic and social, as well as political matters", the late Prof. Friedmann said that a positive revolution in international relations could be brought about "through the transfer of a multitude of economic matters from private to public responsibility" and by making these activities subject to the rules of International Law(24). Institutions performing such economic functions, he submitted, should have ILP to have autonomy from conflicting national policies and interests of different States. He called these institutions International Public Corporations (IPCs) and defined them as "international corporate bodies established for purposes of international government but constituted as commercial corporations"(25). The consolidation of the status of IPCs, performing essential economic tasks, was necessary due to their following features:-

(1) Their functions were of international importance and, therefore, a matter of public responsibility.

(2) Performance of their functions demanded long-term investment of capital, permanent organisation and staffing,

(3) They needed to enter into legal relations involving banking operations, erecting and servicing of plants, acquisition of land, hiring of labour and supply of goods and services.

Friedmann wanted to take IPCs entirely outside the domain of municipal law. He suggested that every IPC should have an inter-governmental charter which should govern its conduct, in conjunction with the general principles of International Law. This approach makes it uncertain whether he was willing to confer the ILP on purely non-governmental IPCs. However, such a submission might have been regarded as visionary in 1943, when States resisted more fervently the concept of even IGOs having an ILP and when INGOs had not emerged as significant non-State actors on the international plane.

Friedmann believed the "main value and function" of admitting an international corporate body within the framework of International Law "does not consist in its making quick profit but in its constitution as an independent body whose management, accounts, financial conduct and general efficiency can be checked"(26).

A better modus operandi for the endowment of ILP on transborder corporate enterprises was suggested by Institut de Droit International two decades before the above "institution by institution" approach was proposed by Friedmann. In 1923, this institute approved a draft Convention whereunder the Contracting States were required to accord juristic personality in their territories to all unions which fulfilled certain conditions set out in the Convention(27). The rights accorded were to be similar to those granted by municipal law to limited companies(28). Despite the repeated expressions of juristic opinion that the international legal regime should facilitate the functioning of transborder corporate bodies by recognising them as international persons, the fact remains that INGOs have yet not received such recognition by current rules of International Law.

Many INGOs - e.g. IATA or SITA - are not truly "municipal" in character and their activities are not confined, in origin, participation or operation, to the State in which they are incorporated(29). The attribution and restriction of their legal status to a single State does not reflect the true transnational nature which can be readily seen by piercing the corporate veil. These bodies are "international" in nature and, accordingly, their treatment as "international persons" will be nothing but recognition of the reality.

The "naturalisation" of an international body by a single municipal legal system has been noted and criticised by Friedmann. The following pitfalls result from the confinement of a truly "international" body to a single municipal legal system(30):-

(a) If an international corporate body merits taxation or other exemptions, the State of incorporation has to make a provision to that effect. This can be avoided, for instance, if the body concerned is regulated by rules of International Law, in general, and by its Constitution or Charter, in particular. The latter may incorporate a specific rule giving rise to a uniform exemption from municipal taxation. In many cases, the rationale is that a body which is financed and operated on an international basis should not be taxed in such a way that "international" financial contributions end up in the tax receipts of one nation. In some cases (like SITA) this concession will amount to nothing but a symbolic gesture, because of the non-profit character of the institution.

(b) The persistence of circumstances, which force an international corporate body to adopt a status exercisable only in a particular State, is "a great political and psychological obstacle to the development of international institutions"(31).

(c) Problems of political friction or general distrust can emerge if a truly international body is "tainted with British, American or some other national character". It can produce lack of co-operation on part of some States and, therefore, may lead to the frustration of some of the "transnational" aims of the body concerned.

(d) An INGO may be able to incorporate itself in a municipal legal system providing excellent taxation and other concessions due to the nature of its functions, but it may not be able to establish its branches on the same basis in other States. The other systems may not have a body of law developed in respect of "non-profit" institutions, or may not allow the branch of an institution which it regards as foreign in origin to operate in its territory with full enjoyment of concessions granted to institutions incorporated in its own jurisdiction(32).

(e) An INGO (if its functions so justify) should be able to recruit the best staff from any of the countries involved in its financing and operation, to achieve its goals most economically and effectively. Juridical ties with one State can deprive an institution of immigration exemptions which it may otherwise be able to claim by asserting International Legal Personality. Indeed, if objectivity is accepted as a basis for determining ILP, then the same yard-stick may be used for granting privileges of this kind to appropriate institutions.

Since no countervailing advantage accrues to the international community from keeping international corporate bodies outside the ambit of International Law, it becomes imperative that appropriate action is taken to eliminate the above anomalies. However, the transformation of international corporate bodies into International Legal Persons may not necessarily be accomplished in a single stage, or be brought about by a single simplistic legal regime. The rights and duties of an international corporate person may be recognised by International Law by referring to the nature of its functions, methods of its financing, principles of its operation and supply of services, modes of supervision and accountability, and so on. The institutions - such as SITA - which are constituted on a non-profit basis and the functions of which are essential to the smooth-running of some important segment of global intercourse, for the benefit of the international community as a whole, can provide a starting point in this process.

SITA was established by a number of airlines and was registered under Belgian law as a non-profit corporate body. There is no treaty under which SITA can be categorised as an Inter-Governmental Institution. Undoubtedly, it has a Municipal Personality under Belgian law and this can be classified as its "minimum status". The minimum status of SITA has, however, been improved in many aspects, as compared with the similar status of other non-profit corporate bodies of Belgium, because of the following specific features:-

(1) Many of its Member Airlines are owned by, and operated under the supervision of, their respective States(33).

(2) Its operations are not only "international" but "universal" in character - the SITA Network provides transmission links in and among 154 countries. Furthermore, these operations are "essentially" transborder and cannot be confined to one or two countries. In other words, the services of SITA cannot be provided by a network which does not cross almost every border of the world.

(3) Sovereign States of the world have undertaken - mainly through the provisions of the Chicago Convention 1944 and the Annexes thereto - to ensure the provision of safe, regular, efficient and economical international air transport. These goals can never be achieved if comprehensive and efficient telecommunications are not guaranteed for the operators of airlines. "Improvement of air navigation facilities"(34) was one of the tasks to be performed (permissively, though) by the International Civil Aviation Organisation (ICAO) and, through the operation of the Aeronautical Fixed Telecommunication Network of State-run AFS centres, it has provided the most important component in this regard. Moreover, ICAO is the sole norm-giving institution in all aspects of international civil aviation and it has produced a detailed instrument (Annex 10: Aeronautical Telecommunications) to regulate this aspect.

SITA plays a valuable complementary role by providing ancillary services of this kind. Improvement of air navigation facilities includes the radio and meteorological communications. SITA, at present, provides a comprehensive global meteorological service and soon, through its project AIRCOM (Air To Ground Digital Communication Links), it will be entering into the provision of radio communication services. Of course, international air services cannot be regular, efficient or economical if reservations and other related functions are not performed promptly and comprehensively, as the SITA Transmission Network ensures. The cooperative nature of SITA ensures the pooling of resources and enables its users to acquire the best technology available, thus producing maximum "economy". Accordingly, one may safely assert that if the SITA Transmission Network was not in existence, the States (if they were candid in honouring their obligations under the Chicago Convention) would have to organise a similar network to achieve the goals of regularity, efficiency and economy.

(4) Unlike ordinary municipal corporations, SITA is recognised by many International Inter-Governmental and Non-Governmental Organisations. It has been invited to participate in the symposia of many international institutions, e.g., International Civil Aviation Organisation (ICAO), Organisation for Economic Cooperation ~~and~~ Development (OECD), World Tourism Organisation (WTO), etc. It closely coordinates its activities with the International Air Transport Association (IATA), which is an important Non-Governmental Organisation and which enjoys a considerable recognition in the field of international civil aviation(35). Since 1980, SITA has been participating, with the status of an observer, in the proceedings of the Administrative Committee (CCITT) of the

International Telecommunication Union (ITU).

(5) In many cases, SITA enters into contractual arrangements for the leasing of transmission circuits directly with governments, where post, telegraph and telephone administration of a particular state is run by the government itself(36).

(6) The size, at least in the geographical sense, of SITA Network is such that its replacement by individual airline systems will be an impossible task. The financing, organisation, technical expertise and global accessibility of the network have developed in such a manner that to imagine its substitution will look wasteful. SITA has acquired a life of its own and its disintegration would be disastrous for the operation of international air services.

The above features of SITA indicate to us the essential nature of its services to its users which are, by virtue of their transborder air transport activities, "international" in their origins. Furthermore, due to substantial governmental ownership and control of many of its user airlines, as shown by Annex I to this thesis, a great deal of "quasi-governmental" content is present in the Constitution and operations of SITA. These facts inspire us to treat SITA differently than other municipal corporations, but this thinking is not reflected in the current organisation of the international legal order.

Given the fact that the detailed survey of INMARSAT, EUROCONTROL and SITA discloses no material difference between the activities of the three institutions, it is, to put mildly, retrogressive that SITA is not vested with a better legal personality, just because it has not been formally constituted by States. Inmarsat and Eurocontrol, as well as SITA, operate transnationally and in areas beyond national jurisdiction, and possess their own hardware. They supply services to private persons at most economical rates, as they function on a non-profit basis. All of them are performing worthy tasks for the welfare of the international community. To treat Inmarsat and Eurocontrol differently from SITA, due to the "formal" governmental content in them, is an anomaly which ought to be rectified. A progressive solution for this problem can be the dissociation of ILP of an institution from the requirement that it must be founded, and participated in, by States. Instead, functional or objective criteria, as suggested below, may be used.

POSSIBLE JURIDICAL METHODS AND CRITERIA FOR BROADENING THE CURRENT ILP REGIME

To eliminate the inequality of treatment, an "objective" approach may be used in the determination of ILP of an institution. This means the connection of ILP of a non-State entity to its "actual" international nature and functional worth to the world, despite the fact that it is not created by a treaty. Proffering of this view cannot fail to attract serious criticism. Many jurists would argue that it will create an uncertainty in the current international legal order. If the "formal" stamp, in the shape of an international accord, is in the archives of a State or with the U.N. Secretary General or any other designated depository, then the extent of the international legal status conceded to a particular institution can be determined by resorting to that treaty. But intractable problems may be encountered in ascertaining "objectively" the international legal status of an institution which is not governed by a single "consensual" document. However, what is being proposed is not extra-State international legislation. The author expects the formulation of rules which can be applied, and applied with due accuracy and regard to the qualifications clearly set out therein, to determine whether an international institution should be treated as an international person and what ought to be the quantum of attributes of its ILP. The formulation of such rules of International Law, as well as their subsequent applicability, may validly be devolved through the conclusion of a multilateral treaty onto a pre-existing international Inter-Governmental Organisation of a universal character - the United Nations fits this description perfectly. The Trans-National Corporations (TNCs) with profit aims may, in the first place, be left out of such a regime; they can be brought into the regime when the system is sufficiently developed to cope with them. What is needed is an international administrative procedure whereby international institutions, performing worthy functions, are adequately and fairly recognised.

Institutions like SITA are the least controversial candidates for the upgrading of their legal personality. The criteria for the improvement in the ILP of an international institution, composed of States or not, may, for instance, be linked to the following facts:-

(a) That they are organised by entities and peoples belonging to three or more States, and their operations are in more than three States.

(b) That the subject-matter of their activities is such that it cannot be organised within the territory of one State. Management of transnational rivers, prevention of communicable diseases and terrestrial, maritime and aeronautical telecommunications may be cited as examples.

(c) That the institution involved fulfills certain substantive standards whereby, for instance, its accounts can be checked and it can be ensured that they operate their facilities, or offer their services, on a non-discriminatory basis to all nations of the world.

The above points do not constitute exhaustive criteria but merely indicate some of the lines of enquiry which may be pursued in this regard. In devising a comprehensive international administrative regime, ensuring a proper and accurate recognition of international institutions of all kinds, an intricate study of all reasonably foreseeable contingencies will be required. The object of this research has been to collate the relevant information and set out the institutional structure of SITA, with a view to examine arguments for and against the "principle" that bodies of this nature should be treated as International Persons. However, the other facets pertaining to the "implementation" of this principle fall outside the sphere of this thesis. Furthermore, the acceptance of the principle is crucially important, before any effort is devoted to study its implementation.

The "objective" approach in matters of law is not a novel notion. As stated above, Institut de Droit International had recommended it in 1923 in the determination of ILP of international institutions. In the *Reparation for Injuries Case* (1949), the ICJ has already applied it in ascertaining the International Legal Personality of the United Nations. Many municipal legal systems (from which the "General Principles of Law" originate) have applied the objective test in determining the legal personality of an institution, to determine whether or not Sovereign Immunities were applicable to it. The English courts have applied the "objective" test to determine the legal status of an institution on many occasions(37). Indeed, a Dutch jurist, Dr. Maarten Bos, says that "the momentous question of the objectivity of International Law i.e. its binding force independent of the will of nations is ... with us; and in all its imposing way since the International Court's Judgment of the 20th February 1969 (North Sea Continental Shelf Cases). It is this question of objectivity which ... will stand out in the next decades to come, as the most vital one in the discussion of the authority of International Law."(37A)

Mainly, it is proposed that States (the principal makers of International Law) should impart requisite consent to a multilateral instrument containing principles of "objective" nature whereby institutions like SIIA can have a wider protection of International Law. The creation of relevant norms through this method will be speedy and least controversial. As detailed below, this controlled amplification of the subjects of International Law may be supported by the interpretative function of the ICJ, whenever there is an ambiguity. With the development of this system further, other kinds of transborder corporate bodies may be brought under the umbrella of International Law.

When arguing for an objective approach, one is forced to observe that the question whether a particular person or body should be admitted to the subjects of International Law, as Hersch Lauterpacht said, must be answered "in a pragmatic manner" by reference to actual experience and by exercise of legal reasoning, as distinguished from "a preconceived notion"(38). If the traditional, rather than pragmatic, criteria were used in the determination and extension of ILP, the sphere of the subjects of International Law would have remained delimited to sovereign States and even the IGOs (e.g. the U.N.) would not have been accepted as International Persons.

It was, indeed, pragmatic thinking which inspired in the first place the emergence of law, both on the municipal and international levels. The primitive societies were ready to give up their "unfettered freedom of action" (which is a corollary of disorder) and chose to live under the rule of law, as this change was compatible with the prevention of anarchy and preservation of order. Many positive changes have been brought into being by pragmatism and it has never ceased to inspire new solutions to new problems.

Writing after a close study of possible codification of International Law for several years, Judge Alvarez wrote: "Since the International community has become a true society, albeit very different in kind from the society which is a nation, the basis of International Law can be no longer individualism (39) but must be social interdependence. Moreover, International Law has acquired new subjects, continents, groups of States, races, nations, minorities, international associations, international persons and, in some cases, the individual. A special study is thus necessary, aiming at a clear definition of the International Personality of these new subjects of the Law of Nations"(40).

Recognising the movement of international society more and more towards universality, in his separate opinion in the Barcelona Traction Case, Judge Ammoun expressed similar pragmatic views in the following words: "The radical transformations which have occurred in economic affairs in the last half century, the constantly increasing expansion which has marked the recent decades in a world undergoing rapid social and political development, and the new problems to which these changes have given rise call for a corresponding development of juridical structures. The law - a rigid conservative kind of law - cannot adapt the emerging realty to sacrosanct rules rooted in the remotest past. It must on the contrary adapt itself to the imperious needs of an international society"(41).

Mann, Verdross, Jessup, Schmitthof, Fatouros, McNair and Friedmann are some of the international lawyers who have advocated the amplification of the current international legal structure to include the transborder corporate bodies as the subjects of International Law(42). Verdross and

McNair advocated the development of a distinct branch of International Law dealing with these new international persons, while other jurists (e.g. Friedmann) believe that the international corporate persons ought to be allowed to function within the main regime of International Law(43).

Permanent Court of International Justice held in 1928 that if by a particular treaty the State parties intended to confer some rights on individuals then these rights should receive recognition and effect at International Law i.e. they should be enforceable in courts(44). Such legal standing has, pragmatically, been granted to individuals in certain matters in the European Court of Justice by the Constitutions of ECSC (1951), EEC (1957) and Euratom (1957). The Convention governing the institutional structure of the Organisation for European Economic Cooperation (OEEC), signed in Paris on 20th Dec. 1957, gives access to individual undertakings, along with its 17 State parties, to the Arbitral Tribunal envisaged by the Convention in respect of the security control system for nuclear energy established under the supervision of the OEEC. Many other examples of this type exist whereby non-State entities can prosecute their claims against sovereign States.

The most important development in this respect is the International Centre for the Settlement of Investment Disputes (ICSID). It provides an international forum of conciliation and arbitration in which national legal persons of one State party can sue another State party, and vice versa(46). The Convention has provided non-State entities with a body as complex as any judicial tribunal currently available under

International Law(47)

However, jus standi for contentious cases in the ICJ is still restricted to States by virtue of Art.34 of the Statute of the Court. Even though the ICJ recognised the ILP of the U.N. in the *Reparation for Injuries* case, yet the U.N. could not bring the claim for compensation against Israel in the ICJ itself because, by virtue of Art.34 of the Statute of the ICJ, only States are entitled to initiate contentious proceedings in the Court(48). Difficulties experienced in negotiating a solution of a dispute, and in finding an appropriate procedure for arbitration, have lead some authors to suggest that the ICJ should have a compulsory jurisdiction in respect of, at least, disputes involving IGOs and States(49).

Amongst the advocates of the enlargement of the ICJ jurisdiction to embrace the IGOs is the International Law Association(50). Lauterpacht believed that Art.34 was not declaratory of any pre-existing rule of International Law(51). Dr. Jenks proposed an amendment to the wording of Art.34(1) reading "only States or Public International Organisations may be parties in cases before the Court"(52). Dean Ijalaye, after criticising the "arbitrary" current restrictive wording of Art.34, amplifies this modification as: "States or non-State entities, possessing International Legal Personality, shall be parties in cases before the Court. Only the Court shall be competent to determine what entity has acquired International Personality."(53) He recognises that if his amplified amendment is given effect then the wording of Art.38(A) of the Statute will also have to be changed and the Court shall be required to apply International Conventions establishing rules expressly recognised "by the contesting International Personalities", rather than "by the contesting States"(54).

Ijalaye s suggestion discloses another method; namely the determination of ILP, in the final resort, by the International Court of Justice. This suggestion may be used, at any rate, most effectively in conjunction with the principal modus operandi supported by this author in the earlier passages i.e. the embodiment of objective criteria in a multilateral treaty by reference to which the ILP of a particular international institution may be ascertained. The role of the ICJ may, supplementarily, be confined to equivocal cases. Wherever there is a controversy about the compliance with the objective criteria embodied in the proposed instrument, the ruling of the ICJ can provide a conclusive solution.

However, it must not be overlooked that while the States may just be willing to agree to sign a treaty, objectivising the identification and acceptance of new subjects of International Law, they will be most reluctant to leave this matter in the hands of the ICJ. Accordingly, the better solution seems to be the elaboration of objective criteria - linked to the nature of functions and the constitutional supervisory mechanisms in an international agreement, covering initially the IGOs and quasi-governmental institutions like SITA which perform worthy tasks for the international community as a whole. If the participation in such a regime grows to embrace the overwhelming majority of States then, some time in the future, the principle of objectivity viz ILP may assume the stature of a customary norm. As mentioned above, if the experience proves satisfactory in respect of IGOs and quasi-governmental institutions like SITA, IATA, etc., it may be extended to bodies of all kinds, transcending borders of three or more States.

The granting of ILP can entitle an international person to certain privileges and immunities exercisable on the international plane. These may be conferred upon it by the international community if to do so is desirable to the performance of its functions. Facilitation of crossborder operations of some of the institutions, particularly those providing services which cannot be provided by the host State or its municipal bodies, will no doubt best serve the cause of developmentalism. It will also be conducive to the promotion of "sub-regional" and "inter-regional" integration in the world(55). Furthermore, if a comprehensive ILP regime is created, it will bring international corporate enterprises under the scrutiny and control of International Law. This will give confidence to those States which either distrust the credibility of an enterprise(56), or feel dominated by the State of which it is a municipal person.

In conclusion, it is reiterated that SITA merely has a municipal personality governed by Belgian law. Unless the current rules of International Law are modified, it cannot be treated as an international legal person.

FOOTNOTES

Chapter 1

Introduction to SITA

1. For historical background and development of SITA, see Williamson, J., "SITA Thirty Years of Airlines Telecommunications", 13 *Telecommunications* 4, p20D-20E (April 1979); Walters, B., "SITA: A Vital Link for the Airlines of the World", (Sept. 1983) *African Air Transport* 23-24; and Fn.16 infra.

2. Id.; and also "A Message", 3 *SC* 12, p1 (Dec. 1978).

3. *PGS*, June 1982.

4. Statistical Results, *SAR* 1982, IV-

5. For further details, see "Control of Flight Operations", 3 *SC* 7-8, p4 (July/Aug. 1978)

6. For amplification, see "A + B = ?", 1 *SC* 1, p4 (Jan. 1976)

7. *PGS*, June 1981. For a good comprehension of the terminology used by SITA, see "Telegrams, Messages, Blocks and Packets", 3 *SC* 1, p4 (Jan. 1978)

8. "SITA Communication Services for the Next Decade", 2 *SC* 3, p4 (March 1977)

9. "IBM/SITA Users Meeting", 1 *SC* 5, p3 (May 1976). In this meeting the 10 users of IBM terminals, which were modified by SITA technicians, reported an upgraded performance of those terminals.

10. Activity Review 1982, *SAR* 1982, III/2

11. Fn.3 supra

12. "Forecasting Future Requirements", 1 *SC* 7-8, p1-3 (July/Aug.

1976)

13. Fn.10 supra

14. Id.

15. "Approach to a 5-Year Plan", 3 SC 6, p2 (June 1978). However, it should be noticed that sometimes (most probably to encourage commerce and flow of foreign exchange) the regulatory regime of a particular state may even broaden the scope for SITA extension into that country.

16. Vandyk, A., "SITA: An Essential Communications System for the Airline Industry", (Aug. 1978) *Airline Executive* 40-41

17. Fn.3 supra

18. Id.

19. Fn.16 supra

20. Fn.10 supra, III/4

21. For instance, a 5-month study was conducted by the Operations Department to produce a report - "RDS 500 Satellite Processor Operational Status", - in June 1978; see "Operational Status RDS 500", 3 *SC* 7-8, p1-2 (July/Aug. 1978). For financial restraints on buying, leasing or modifying the network, as well as the effects of economic factors on this expenditure, see "Budgetary Control 1975", 1 *SC* 4, p3 (April 1976)

22. "Problem Areas: Another View on Quality of Service", 2 SC 3, p1-2 (March 1977)

23. This Group produced monthly reports which resulted in upgrading the performance of the network; for details, see "What About NERA", 1 SC 4, p1-2 (April 1976)

24. Financial arrangements of SITA have been covered in detail in Chapter 5 infra.

25. "Sharing the Cost of SITA", 1 SC 3, p4 (March 1976)

26. "New Cost Charging Scheme", 2 SC 11, p4 (Nov. 1977)

27. Id.

28. "Proposed New Cost Charging", 2 SC 9, p2 (Sept. 1977). The costs are levied by way of standing deposits, periodic payments and items calculated on the basis of services consumed; for details, see Chapter 5 infra.

29. Fn.10 supra

30. Id.

31. Id.

32. Id., III/3

33. SITA 5-Year Plan (1984-1988), "Overview", p1-5, discloses a plan for expansion in the telecommunications and other divesified services, as well as concentrating on the renewal of the previous equipment and automation of the transmission network.

34. See Chapter 5 infra

35. For a detailed discussion of the organs of SITA, see Chapter 6 infra

36. Id. See also *SAA*, Art.27

37. Fn.35 supra. See, e.g., *SAA*, Art.47 which obliges the Board to draw up an inventory of all transferable securities and of the assets and liabilities of SITA, with an appendix giving, in a shortened form, details of the undertakings, debts and other financial commitments, and expectations of SITA.

38. *SAA*, Art.36 requires the appointment of an auditor(s) by the General Assembly to prepare an independent report on the activities of SITA. See also, Auditor s Report, *SAR* 1982, V

39. For evolution of Seats Reservation Systems, as well as the birth of the "shared system" of this kind, see "History of Reservation Systems", 6 *SC* 1, p4 (Jan./Feb. 1981)

40. Fn.10 supra, III/4

41. Id.,

42. Activity Review 1981, *SAR* 1981, III/4

44. Such a meeting, e.g., was held in 1981 in Spain; see "Annual Training Meeting in Madrid", 6 *SC* 6, p3-4 (Dec. 1981)

45. See, e.g., "Meeting between Head Office and Regional Management", 2 *SC* 2, p2 (Feb. 1977)

46. "Conference in Nairobi", 5 *SC* 2, p2-3 (March/April 1980)

47. Id.

48. Id.

49. *SAA* Art.3(C)

50. Id. For amplification of this and other objectives of SITA, see Chapter 5 infra.

51. "SITA Proposals for Baggage Tracing", 4 *SC* 2, p3 (July/Sept. 1979)

52. Fn 40 supra

53. Report from the D.G., *SAR* 1982, II

54. For details of this service, see "ISIS: Another IATA/SITA Project", 5 *SC* 3, p1-3 (June 1983),

55. Fn.53 supra

56. Id.

57. "International Telecommunication Union", 2 *SC* 7-8, p4 (July/Aug. 1977). This article gives a brief history of ITU and its relationship with SITA.

58. Id.

59. Id.

60. "SITA Recognised by ITU", 5 *SC* 6, p3 (Nov./Dec. 1980); and see also "A Message", 5 *SC* 6, p1 (Nov./Dec. 1980).

61. Id.

62. "SITA at World Tourism Organisation", 5 *SC* 5, p1 (Sept./Oct. 1980)

63. "Transborder Data Flows - OECD Symposium in Vienna", 2 *SC* 10, p4 (Oct. 1977). In view of the complexity of the computer equipment, the indiscernible nature of data itself and the ease with which it can covertly be transmitted, the sceptics may be forgiven for questioning the right to transport data across international borders without any regulatory constraint. For further details see "Editorial", 2 *SC* 7-8, p1 (July/Aug. 1977).

64. Fn.53 supra. For details of the legal issues involved in the transmission of data internationally, see Sauvant, K. P., "Transborder Data Flows and the Developing Countries", 37 *International Organisation* 2, p358-371 (1983)

65. Fn.53 supra

66. Id.; and see also "Aeronautical Telecommunications and MET Systems to be Updated", (1982) *ICAO Bul.* 6, p39 (SITA was one of the ten international institutions which attended the conference)

67. Report of the D.G., *SAR* 1981, II

68. Id.

69. *AR-BD-GA*, *SAR* 1981, I

70. Id.

71. In the 1950's, when SITA's transmission network was still of a

modest size, Swissair (a founding member of SITA) left the Organisation, but had to rejoin it; see "Publication on SITA", 1 *SC* 10, p3 (Oct. 1976). It was a point of great interest to hear from the senior SITA officials that there has been no need so far to institute legal proceedings, for recovery of arrears, etc., against any user airline, while it was still in business. Departures from SITA are mainly caused by bankruptcies or mergers. For details of operational convenience and other benefits which flow to an airline office from being connected to the SITA Network, see "Further Geographical Expansion?", 1 *SC* 2, p2-3 (Feb. 1976)

FOOTNOTES

Chapter 2

Evolution of SITA Network

(The Formative Years - 1949-1964)

1. Monniot, G. A., "SITA from 1949 to 1974 - the First 25 Years" (undated)

2. "SITA at Thirty", SAR 1978, ix

3. "Editorial", 2 SC 4, p1 (April 1977)

4. "Telecommunications Means used by SITA: 2, Intelsat IV - Mechanical Aspects", 1 SC 7-8, ~~p4~~ (July/Aug. 1976); and "Transmission Means used by SITA: 3, Intelsat IV - Communications Aspects", 1 SC 9, p4 (Sept. 1976)

5. "Editorial", 1 SC 4, p1 (April 1976)

6. SAA Art.7(B)

7. SAA Art.7(A)

FOOTNOTES

Chapter 3

Evolution of SITA Network

(The Advanted Years - 1965-1982)

1. "SITA at Thirty", *SAR* 1978, IX, particularly under "Preparation".

2. Id., particularly under "Realisation".

3. Activity Report by General Manager, *SAR* 1972, III/1

4. Fn.2 supra

5. Fn.3 supra, III/3

6. Fn.2 supra

7. Id.

8. SITA Organisation Chart, *SAR* 1972, II

9. Management Organisation Chart, *SAR* 1972, II

10. Fn.5 supra

11. *AR-BD-GA*, *SAR* 1972, I

12. "Economic Results", *SAR* 1972, IX

13. Fn.2 supra

14. Minutes of the 29th Meeting of the Annual General Assembly, Brussels (7th May 1974), IV/1 (extract from *AR-BD-GA*)

15. Id., IX/1 (Ratification of Directors and Auditor for 1974). The top users of the SITA Network in 1976, in descending order, were Air France, Lufthansa and British Airways, see "General Assembly 1976", 1 SC 6, p3-4 (June 1976). The number of agent sets connected in March 1976 as well as connection distribution at various centres may be found

in "Agent Set Connections", 1 SC 3, p2-3 (March 1976)

16. Fn.1 supra, particularly "Evolution" section.

17. Activity Report by General Manager, *SAR* 1977, II/7

18. See Chapter 4 infra on "Diversification of SITA"

19. Fn.3 supra

20. Fn.17 supra, II/2

21. Id. Growth was already planned, see "New Functions in the Satellite Processor Network", 2 *SC* 4, p3 (April 1977)

22. Fn.16 supra

23. Id. See also "Editorial", 1 *SC* 5, p1 (May 1976)

24. Fn.17 supra, II/4

25. Fn.21 supra

26. Fn.24 supra

27. Fn.17 supra, II/5

28. Id., II/8

29. *AR-BD-GA*, *SAR* 1977, I

30. Id. For details of the work in devising the Cost Sharing Scheme, see "Proposed New Cost Charging", 2 *SC* 9, p2 (Sept. 1977)

31. Fn.17 supra, II/9

32. Changes in Membership, *SAR* 1977, III

33. "Amsterdam Centre Acquired by SITA", 2 *SC* 7-8, p1-2 (July/Aug. 1977); and Fn.17 supra, II/3

34. Fn.29 supra; and "SITA and African Airlines Meeting, Abidjan, 21st-22nd February 1978", 3 *SC* 2, p3 (Feb. 1978); "Far East/Pacific Airlines Group in Honolulu (3/4 November)", 2 *SC* 11, p2-3 (Nov. 1977); and "Meeting of the Airlines of the Middle East", 2 *SC* 10, p2 (Oct. 1977). Probably it was the first conference of this kind when

SITA management met with 9 airlines of the South Asian Area in Colombo, see "Latest News", 1 SC 1, p3 (Jan. 1976)

35. Fn.36 infra. For details of history and planning origins, see "Editorial", 4 SC 3, p1 (Oct./Nov. 1979); "3-Year Investment Plan", 2 SC 1, p2 (Jan. 1977); "Bridging the Gap", 1 SC 10, p2-3 (Oct. 1976); "Planning Ahead", 1 SC 6, p1-2 (June 1976); and "Editorial", 3 SC 9, p1 (Sept. 1978)

36. *AR-BD-GA*, *SAR* 1978, I

37. Activity Report by D.G., *SAR* 1978, II/5. See further, Chapter 4 infra.

38. Id., II/3. For extraordinary growth in traffic, see "Traffic during the First Quarter of 1979", 4 SC 1, p1 (March/June 1979)

39. Fn.37 supra, II/4

40. Id., II/1

41. Fn.42 infra; and "Tokyo HLC", 4 SC 4, p3 (Dec. 1979). For historical background, see "Other Developments in 1976", 2 SC 3, p3 (Nov. 1977)

42. *AR-BD-GA*, *SAR* 1979, I

43. Id. See also "SITA 1949-1979: Some Facts and Figures", 4 SC 4, p3 (Dec. 1979); and "SITA at Thirty", 4 SC 2, p3 (July/Sept. 1979).

44. Activity Report by D.G., *SAR* 1979, II/3

45. Fn.46 infra. See for details, "A Message", 4 SC 4, p1 (Dec. 1979)

46. Fn.44 supra, II/1

47. *AR-BD-GA*, *SAR* 1980, I

48. Report of the D.G., *SAR* 1980, II

49. Activity Review of 1980, *SAR* 1980, III/1

50. Fn.48 supra

51. Fn.47 supra

52. Fn.49 supra, III/5

53. Report of the D.G., *SAR* 1981, II

54. Activity Review of 1981, *SAR* 1981, III/5

55. *AR-BD-GA*, *SAR* 1980, I

56. Fn.53 supra

57. Fn.55 supra

58. Fn.53 supra. Also see "Rio Project", 27 *SW* 1 (Sept. 1981)

59. Fn.53 supra

60. Fn.54 supra, III/1

61. Id.

62. Fn.53 supra

63. Fn.61 supra

64. Fn.53 supra

FOOTNOTES

Chapter 4

DIVERSIFICATION OF SITA

Supplementary and Information Handling Services

1. At that time it was known as "Solar Passenger Reservations System". 12 airlines were using it and the 39 employees, who were running it, were amalgamated in SITA staff. For the history of acquisition, see "Gabriel Acquired by SITA", 1 *SC* 2, p4 (Feb. 1976)

2. Fn.3 infra; and, for history of these services, see also "SITA Communications Services for the Next Decade", 2 *SC* 3, p4 (March 1977)

3. *AR-BD-GA*, *SAR* 1978, I

4. *AR-BD-G~~A*, *SAR* 1979, I~~

5. SITA 5-Year Plan (1982-1986), p1-5

6. Id. For origins of SITA Training, see "Meeting between Head Office and Regional Management", 2 *SC* 2, p2 (Feb. 1977). Almost every year a meeting is held to plan training, see "Annual Training Meeting in Madrid", 6 *SC* 6, p3-4 (Dec. 1981)

7. Activity Report from the D.G., *SAR* 1978, II/7

8. Id., II/5

9. Activity Review 1980, *SAR* 1980, III/4

10. Activity Review 1981, *SAR* 1981, III/4

11. Id. The introduction of new services has been increasing the training commitments. In 1982, e.g., 2300 trainee hours were spent for airline users of the BAGTRAC service, see Fn.24 infra, III/4

12. *Personnel Training*, issued by SITA, Oct. 1982

13. Fn.14 infra. Sometimes, the Gabriel System provides training to its users, see "Training for Pakistan Airlines", 3 *SC* 3-4-5, p3 (March/April/May 1978). The Gabriel users hold two meetings a year to review the service. For these meetings see "Third Gabriel Users Meeting", 2 *SC* 4, p3 (April 1977); "GUM IV in Atlanta", 2 *SC* 11, p3 (Nov. 1977); and "Gabriel Users Meeting in Sofia", 6 *SC* 2, p3 (March/April 1981)

14. Activity Report from the D.G., *SAR* 1979, II/1

15. Activity Report from the D.G., *SAR* 1978, II/2

16. Fn.14 supra

17. *AR-BD-GA*, *SAR* 1980, I

18. Report from the D.G., *SAR* 1980, II

19. Activity Review 1981, *SAR* 1981, III/5.

20. Id.

21. *Gabriel Reservation Services*, issued by SITA, Oct. 1982

22. Fn.9 supra, III/5

23. Id.

24. Activity Review 1982, *SAR* 1982, III/5

25. "SITA Data Processing and Telecommunications Services", 7 *SC* 4, p1 et seq. (Aug. 1982)

26. Fn.8 supra. The manner in which the Departure Control System reduces the "ground time" of an aircraft by multiplicity of functions performed by it, see "Departure Control", 2 *SC* 9, p4 (Sept. 1977)

27. Fn.14 supra, II/6

28. Activity Review 1980, *SAR* 1980, III/5

29. Fn.19 supra

30. Fn.25 supra; and see also "*CUTE - Common Use Terminal Equipment*", issued by SITA, Oct. 1982

31. Fn.25 supra

32. Fn.14 supra, II/6

33. Fn.19 supra

34. Fn.17 supra. For further details of this co-operative venture between SITA and IATA, see "SITA Proposals for Baggage Tracing", 4 *SC* 2, p3 (July/Sept. 1979); and *Baggage Information Services*, issued by SITA (1983)

35. Fn.17 supra

36. Fn.28 supra

37. Bulloch, C., "SITA's New Directions: The Growth of Airline Telematics", (July 1982) *Interavia* 703-705

38. The information has been compiled from the relevant *SAR*'s and publication mentioned in Fn.25 supra.

39. Fn.28 supra

40. Fn.19 supra

41. Fn.14 supra, II/6

42. Fn.37 supra

43. *Meteorological Service*, issued by SITA, Oct. 1982

44. Fn.19 supra

45. Fn.14 supra, II/6; and for further details, see *Shared Air Cargo Services*, issued by SITA, Oct. 1982. This service was brought into operation in June 1983, see "38th Annual General Assembly", 8 *SC* 3, p4 (June 1983)

46. Fn.14 supra, II/6

47. Fn.25 supra

48. Fn.37 supra

49. "Meeting on Shared Cargo Service", 25 *SN* 2 (July 1981)

50. Fn.25 supra

51. Fn.37 supra

52. Fn.28 supra

53. Fn.19 supra

54. Fn.37 supra

55. *AW and ST*, 4th Jan. 1982, p27

56. Fn.19 supra

57. Fn.25 supra. For further information, see *Fare Quote and Tariff Reference System*, issued by SITA, Oct. 1982; and "Fare Quote Agreement signed by Lufthansa", 42 *SN* 1-2 (April 1983)

58. Fn.19 supra

59. Fn.25 supra

60. Fn.37 supra

61. Fn.14 supra, II/6

62. Fn.19 supra

63. Fn.25 supra. Computer software, already developed by CP Air, was being purchased by SITA for adaptation to this service. For further details, see *Flight Planning*, issued by SITA", Oct. 1982

64. Fn.25 supra

65. Fn.19 supra

66. Fn.37 supra. The planning procedures in the development of a service like Aerodat may be observed in "Aerodat Committee", 42 *SN* 1 (April 1983). For details of the service, see *"Aerodat - Shared Aeronautical Data Base"*, issued by SITA, Oct. 1982

67. Fn.28 supra

68. Fn.25 supra

69. Fn.19 supra

70. Fn.37 supra

71. Id.

72. Fn.14 supra, II/6

73. Fn.37 supra. For details of prospective diversification of SITA into new areas of aeronautical communications and data processing services, see "SITA 5-Year Plan", (1984-1988), "Overview", p1-5 (1983)

74. Fn.37 supra

FOOTNOTES

Chapter 5

CONSTITUTION OF SITA I

Origin, Membership and Finance

1. The original version of this document is annexed to the Moniteur Belge of 12th March 1949, No.3551

2. See preamble to *SAA* (attached to this work as Annex 2)

3. Id.

4. See the "Note" inscribed at the end of *SAA*

5. *SAA* Art.1

6. *SAA*, see the preliminary passages and Art.2

7. *SAA* Art.2

8. *SAA* Art.4

9. Minutes of the 29th Meeting of the Annual General Assembly, Brussels (7th May 1974), XIII/2 (Amendments to the *SAA*)

10. *SAA* Art.8(A)

11. *SAA* Art.8(B)

12. *SAA* Art.8(C)

13. "Information for Prospective SITA Members", 1st Sept. 1982 (issued by SITA)

14. Id.

15. Id.

16. Id.

17. Id.

18. *SAA* Art.11

19. SAA Art.12

20. SAA Art.16

21. SAA Art.17

22. Fn.20 Supra

23. SAA Art.18

24. SAA Art.19

25. Id.

26. Fn.20 supra

27. SAA Art.20

28. SAA Art.21

29. SAA Art.22

30. SAA Art.23

31. SAA Art.24

32. SAA Art.25

33. SAA Art.26

34. SAA Art.6

35. SAA Art.7. For elaboration of shares' distribution at that time, see first part of Chapter 2.

36. Minutes of the 37th Meeting of the Annual General Assembly, Brussels (18th May 1982), I/3

37. SAA Art.7(D)

38. SAA Art.8(D)

39. Fn.19 supra

40. Fn.18 supra

41. SAA Art.38

42. Fn.18 supra

43. Fn.19 supra

44. Id.

45. *SAA* Art.9

46. *SAA* Art.13

47. *SAA* Art.14

48. Fn.37 supra

49. *SAA* Art.15

50. *PGS*, Aug. 1981. For further details, see "A Message", 2 *SC* 12, p1 (Dec. 1977)

51. Activity Review 1981, *SAR* 1981, III/2

52. Activity Review 1980, *SAR* 1980, III/2

53. Fn.51 supra

54. SITA 5-Year Plan (1982-1986), p5

55. Fn.16 supra

56. Fn.54 supra

57. Fn.51 supra

58. Id.

59. *SAA* Art.5

60. *SAA* Art.10

61. Id.

62. Fn.21 supra

63. *SAA* Art.32

64. For details of the powers of the Board of Directors, see Chapter 6.

65. Fn.32 supra

66. *SAA* Art.36

67. *SAA* Art.37

68. *SAA* Art.47

69. Id.

70. *SAA* Art.46

71. *SAA* Art.39

72. *SAA* Art.50

73. *SAA* Art.48

74. *SAA* Art.49

75. See Chapter 6, under "General Assembly"; and also *SAA* Art.44

76. *SAA* Art.51

77. Bulloch, C., "SITA s New Directions: The Growth of Airline Telematics", (July 1982) *Interavia* 703-705

78. Fn.57 supra

79. Fn.34 supra

80. Fn.30 supra

81. *SAA* Art.52

82. Id.

FOOTNOTES

Chapter 6

Constitution of SITA II

1. *SAA* Art.42
2. Id., Art.40
3. Fn.1 supra
4. *SAA* Art.41
5. Fn.1 supra
6. *SAA* Art.43
7. *SAA* Art.44
8. Id.
9. *SAA* Art.51
10. *SAA* Arts.4, 44
11. *SAA* Art.44
12. *SAA* Art.45
13. *SAA* Art.39
14. *SAA* Art.4
15. *SAA* Art.7(D)
16. *SAA* Art.18
17. *SAA* Art.19
18. *SAA* Art.27
19. Id.
20. *SAA* Art.29
21. *SAA* Art.36

22. SAA Art. 46

23. SAA Art.47

24. SAA Art.48

25. SAA Art.50

26. SAA Art.51

27. SAA Art.52

28. SAA Art.45

29. SAA Art.31 (where the powers of the Board of Directors are enumerated)

30. Fn.18 supra

31. Id. The current number of "directly" nominated Directors has been the result of increases over the years, see "A Message", 1 SC 1, p1 (Jan. 1976)

32. Fn.18 supra

33. Id. The membership of the Board was raised to 25 by the decision of Extraordinary General Assembly, see "Thirty-Third General Assembly in Brussels 1978", 3 SC 6, p3-4 (June 1978)

34. Fn.18 supra

35. Id. For the list of founding members, see Chapter 2 supra

36. Fn.18 supra

37. Id.

38. Id.

39. SAA Art.30

40. Fn.20 supra

41. Id. As proposed by the Board and approved by the General Assembly, in 1980, the office of the second Vice-Chairman of the Board was created, "in order to cope with the growing requests for SITA's official

representation on a worldwide basis", see "Editorial", 5 SC 3, p1 (May/June 1980)

42. Fn.40 supra

43. SAA Art.33

44. SAA Art.35.

45. Fn.12 supra

46. Id.

47. Fn.29 supra

48. Fn.43 supra. Usually, one meeting is held each year outside Paris, see "Meeting of Board of Directors in Singapore", 6 SC 5, p1 (Nov. 1981), this was the first meeting in Asia; "Availability and Service Fee", 5 SC 2, p3 (March/April 1980), where the meeting in Budapest is mentioned; "Board Meeting in Rio", 2 SC 10, p2-3 (Oct. 1977); and "Board of Directors Meeting, Moscow, 25th June", 26 SN 3 (Oct. 1981)

49. SAA Art.34

50. SAA Art.8(B)

51. SAA Art.13 (see also under "Functions of Board of Directors" infra)

52. SAA Art.24

53. SAA Art.28

54. SAA Art.32. The designation of "General Manager" was changed to "Director General" by the Extraordinary General Assembly mentioned in Fn.33 supra.

55. Fn.44 supra

56. Id.

57. For example, when the author visited the SITA Head Office in Sept.

1982, his request for a specimen of minutes of the Board of Directors was declined by the senior officials of SITA on grounds of confidentiality

58. *SAA* Art.2

59. Fn.50 supra

60. Id.

61. *SAA* Art.8(C)

62. "Financial Group" appears to connote a number of companies forming a single "holding".

63. *SAA* Art.12

64. *SAA* Art.11

65. Fn.63 supra

66. *SAA* Art.5(C)

67. *SAA* Art.13

68. *SAA* Art.15

69. *SAA* Art.10

70. *SAA* Art.17

71. Fn.16 supra

72. Id.

73. Id.

74. Fn.17 supra

75. *SAA* Art.54

76. Fn.54 supra

77. Fn.13 supra

78. See generally *SAR* s 1977-1982

79. See, e.g., Minutes of the 29th Meeting of the Annual General Assembly, Brussels (7th May 1974), IV/1 (extract from *AR-BD-GA*)

80. Fn.12 supra (for details of finances, see "Supervision of Finance", Chapter 5 supra)

81. Fn.22 supra

82. See *SAR* s generally

83. Activity Review 1981, *SAR* 1981, III/4

84. Activity Review 1982, *SAR* 1982, III/4 (e.g., the training team of SITA produced 50500 hours of training for SITA and airline staff)

85. *AR-BD-GA*, *SAR* 1980, I

86. See, 7 *SC* 4, p4 (Aug. 1982)

87. The administrative structure of SITA, in June 1982, was as follows: Director General, 2 Assistant Directors General, Secretary General, Regions Coordinator, Technical Director, Assistant to the Director General; directors for services promotion, finance, general studies and contracts, studies and software development, personnel, information and public relations, technical (USA), new services, organisation and methods, operations, data processing and statistics, corporate planning, and supplies and services departments; see *PGS*, June 1982, p19

88. About 5000 transmission circuits, each circuit having a city centre at either end, are globally dispersed, providing a comprehensive network through their interconnections. Therefore, SITA centres are located in 800 cities in 154 countries, serving over 12000 airline offices by a chain of 174 switching centres of SITA: *PGS*, June 1982, p2

89. SITA Regional Offices are organised as follows: Africa (Paris I), Asia and Pacific (Hong Kong), BENELUX, Scandinavia and Finland (Amsterdam), France and North Africa (Paris II), Federal Republic of Germany (Frankfurt), Italy (Rome), Middle East (Beirut), North and Central America (New York), South America (Rio de Janeiro), Spain

(Madrid), Switzerland, Austria and East Europe (Zurich), and U.K. and Republic of Ireland (London): *PGS*, June 1982, p19

90. SITA 5-Year Plan (1982-1986), "Overview", p1-5. See further, "New 5-Year Plan", 6 *SC* 3, p3 (July 1982). For coordination between regional and central managements, see "Annual Meeting of SITA Management", 6 *SC* 2, p3 (March/April 1981); "Meeting with Regional Managers in Head Office", 3 *SC* 1, p1 (Jan. 1978); and "Projects and Developments: Progress in London", 2 *SC* 2, p2 (Feb. 1977)

91. It was held from 2nd to 4th March 1982 in Monte Carlo and the representatives of 102 airlines and 20 associate organisations such as ICAO, ITU and IATA attended this conference: 32 *SN* 1 et seq. (March/April 1982). For further details, see "SITELCOM-82", 6 *SC* 3, p1 (July 1981); "Editorial", 6 *SC* 1, p1 (Jan./Feb. 1981); and the Report of the DG, *SAR* 1982, II

92. See, e.g., "SITA/Far East Pacific Air Carriers Conference", 5 *SC* 6, p2-3 (Nov./Dec. 1980); "First SITA/Latin American Air Carriers Conference", 5 *SC* 5, p2-3 (Sept./Oct. 1980); "Conference at Nairobi", 5 *SC* 2, p2-3 (March/April 1980); "Conference at Amman", 5 *SC* 1, p2 (Jan./Feb. 1980); and "Meeting with Airlines in Rio", 4 *SC* 3, p3 (Oct./Nov. 1979). For history of SITA regional conferences, see "Editorial", 5 *SC* 4, p1 (July/Aug. 1980)

93. *AR-BD-GA*, *SAR* 1979, I

94. *AR-BD-GA*, *SAR* 1981, I

95. The Reports of Board of Directors are usually brief.

96. Fn.29 supra

97. ~~*SAA* Art. 9~~

98. Fn.44 supra

99. Id.

100. Fn.12 supra

101. Fn.54 supra

102. See I SC 10, p1 et seq. (Oct. 1976). For the career sketch of Mr. Monniot, see SC (special issue, 19th Nov. 1980)

FOOTNOTES

Chapter 7

INTERNATIONAL INSTITUTIONS AND LEGAL PERSONALITY

1. Klepacki, Z. M., "The Growing Role of International Organisations", 30 *Review of International Affairs* 611, p31-40 (1979)

2. Id.

3. Brownlie, I., *Principles of Public International Law* (1973), 656-682, at 656

4. Cox, Jacobsen et al (Fn.5 infra) have discussed only 8 institutions. Even though acclaimed to be comprehensive works on this topic, the books of Bowett (Fn.13 infra) and Schwarzenberger (*International Constitutional Law*, 1976 ed.) model their discussions on the U.N. and do not deal with all of the 300 institutions.

5. Cox, R. W., Jacobsen, H. K., et al, *The Anatomy of Influence, Decision Making in International Organisation* (1979), 372

6. Id.

7. Id.

8. Mosul Case, (1925) *PCIJ Reps.* B12, 30

9. Advisory Opinion on Admission to the United Nations, (1948) *ICJ Reps.* 64

10. South-West Africa (II phase) Cases, (1966) *ICJ Reps.* 50-5

11. McCormick, J. M., and Kihl, Y. W., "Intergovernmental Organisations and Foreign Policy Behaviour - Some Emperical Findings", 73 *American*

Political Science Review 494-504, at 495 (1979)

12. Id., p494-95

13. Bowett, D. W., *The Law of International Institutions* (4th ed., 1982), 261

14. Id.,

15. Statute of the ICJ 1945 (annexed to the U.N. Charter), Art.9

16. Id., Art.16

17. Id., Art.18

18. Chicago Convention on International Civil Aviation 1944, Art.84

19. Fn.13 supra, p256

20. Fn.18 supra, Art.37

21. Id.

22. Id.

23. Id., Art.38

24. Id., Art.12

25. Id., Art.90 which, inter alia, provides that an Annex "shall become effective within three months after its submission to the Contracting States ..., unless in the meantime a majority of the Contracting States registers their disapproval with the Council". However, Art.12 makes the "Rules of the Air" a special case.

26. Fn.5 supra, p83

27. Fn.5 supra

28. Id.

29. Id., p60-61

30. Fatouros, A. A., "On the Hegemonic Role of International Functional Organisation", (1980) *GYIL* 9-36, at 16

31. Id.

32. Hambro, E., "Permanent Representatives to International Organisations", 30 *YWA* 30-41, at 39-41 (1976)

33. Harris, D. J., *Cases and Materials on International Law* (2nd ed., 1979), p141-142. See also Graham, *Vatican Diplomacy: A Study of Church and State on the International Plane* (1959), p186, 201; and Kunz, 46 *AJIL* 308 (1952)

34. Fn.35 infra; and also Gallois, J. P., *De Regime International la Principaute* (Paris, 1964)

35. Fn.88 infra, p109

36. Lateran Treaty of 11th Feb. 1929 between Italy and Vatican City, Art.2: Peaslee, III *Constitutions of Nations* (3rd ed. revised, 1968), p1187-88

37. Fn.33 supra

38. Id.

39. For extensive details of matters relating to the status and other aspects of the Order, see Farran, C. d'O., "The Sovereign Order of Malta in International Law", 3 *ICLQ* 217, at 224 et seq. (1954)

40. Id., p225. Farran quotes Austria, Hungary, Poland, France, Belgium, Italy, Netherlands, Portugal and Spain which were ready to acknowledge the validity of the decorations granted by the Order.

41. McDougal, M. S., "International Law in the Future", (1980) *Mississippi L.J.* 259, at 310-315

42. Fn.88 infra, p579

43. (1926) *OJLN Ann.* 91la 1422; and Bowett, Fn.13 supra (1963 ed.), p273

44. Advisory Opinion on Reparations for Injuries suffered in the Service of the United Nations, (1949) *ICJ Reps.* 174 et seq.

45. Id. Many writers who strictly adhere to the notion of *res inter alios acta* disapprove of this "objective" approach taken by the ICJ. However, through subsequent State Practice it is now generally believed that the U.N. has an ILP binding both on member and non-member states.

46. For INMARSAT and EUROCONTROL, see Chapter 8 infra. For INTELSAT, see Art.IV of the INTELSAT Agreement: (1971) *ILM* 909, at 913

47. Fn.44 supra, p181

48. See Brownlie (Fn.3 supra). He also cites the following jurists in support of this view: Jenks, Ginther, Skubiszewski, Quadri, Seversted, Pescatore, Dupuy, Broches, Carroz, Proyst, Bishop, Morozov and Tunkin.

49. Fn.44 supra, p180; See also, Wright, T., "The Jural Personality of the United Nations", (1949) *AJIL* 509-516; and for a recent view of the East European States on this aspect, Klepacki, Z. M., "Legal Basis and Principles Governing Cooperation and Coordination of Activities of Organisations of Socialist States", 9 *Pol. Yb. of I.L.* 59-71 (1977-8)

50. Advisory Opinion on the Jurisdiction of the European Danube Commission, (1927) *PCIJ Reps.* B14, 105

51. Id.

52. Fn.44 supra, p203

53. Id., p179

54. Id., p182

55. Id., p183-84

56. Fn.44 supra; and Fn.33 supra, p132 et seq.

57. Id.

58. Id.

59. Seyersted, F., "International Organisations: Capacity to Conclude Treaties", 37 *BYBIL* 447, at 449 (1961)

60. Mousse, J., "Eurocontrol: The Changes effected in International Organisation by the Instruments signed on 12th February 1981", 7 *Air Law* 31 (1982)

61. Fn.33 supra, p138-39

62. Fn.88 infra, p598

63. (1960) *Yb. of ILC* II, p222

64. (1962) *Yb. of ILC* II, p31

65. Id., p32

66. (1965) *Yb. of ILC* II, p158

67. The text of the Draft Articles can be found in: *ILC Report* (34th session), 37 U.N. GOAR Supp.10, U.N. Doc. A/37/10 (1982)

68. McCaffrey, S. C., "The 34th Session of the International Law Commission", 77 *AJIL* 323-338, at 325 (1983). Art.36 bis, under which state members of an IGO may acquire binding obligations and rights from a treaty concluded by an IGO, and Art.66, which provides for a compulsory arbitration viz disputes concerning treaties to which an IGO is a party, were the main points of departure from the content of the Vienna Convention on the Law of Treaties 1969.

69. Assembly 25th Session (Extraordinary), Montreal (24th April-10th May 1984), ICAO Doc.9437 A25-Res., P-Min., p25 et seq.; and 39 *ICAO Bul.* 6, p14-28 (1984)

70. Seyersted, F., "Objective International Personality of International Inter-Governmental Organisations", (1963) *Indian J. of I.L.* 22

71. Fn.88 infra, p597

72. Id., p598

73. *ILO Information*, Dec. 1982, p2; and *ILO Information*, May 1983, p2

74. Ott, J., "ICAO Report Dismisses Soviet Charges", *AW and ST*, 19th Dec. 1983, p33-34

75. Fn.13 supra, p1-16, particularly at p6

76. Id., p346

77. Id., p349

78. The text can be found in 33 *UNTS* 261-302

79. Fn.13 supra, P350; and also Goy, "Le droit d acces au siege des organisations internationales", 33 *RGDP* 357-370

80. Id. See also, Jenks, C. W., *International Immunities* (1961), 51-52 where it has been argued that an international institution shall be able to grant asylum to its own officials against any violation of its privileges and immunities by the local authorities.

81. Fn.13 supra, p350

82. General Convention on the Privileges and Immunities of the U.N. 1946, s.5, 1 *UNTS* 15-32

83. Fn.13 supra, p351-352

84. Id., p352

85. Id.

86. Fn.82 supra, s.14, 20

87. Fn.13 supra, p356

88. Starke, J. G., *Introduction to International Law* (9th ed., 1984), p594

89. Fn.13 supra, p354; and the Vienna Convention on Diplomatic Relations, 1961, A/Conf. 20/13, Arts.8(2) and 38(1)

90. For instance, jurisdictional immunity was not invoked by the U.N. when the chauffeur of the Secretary General was indicted for driving a car, in which the Secretary General was travelling, over the prescribed speed limit: Ranollo's Case, 67 NYS 2d, 31 (1946). Indeed, the General Convention on the Privileges and Immunities of the U.N. 1946, Art.5(20), provides that the S.G. has the right and duty to waive immunity in any case where immunity would impede the course of justice, and can be waived without prejudice to the interests of the U.N. in respect of the U.N. officials, other than the S.G. himself.

FOOTNOTES

Chapter 8

INMARSAT and EUROCONTROL

1. Global Satellite Communications for Shipping (February 1982), produced for INMARSAT by Newstech Communications, London.

2. Burton, R., "INMARSAT Bridging the Gap", *Port of London* (2nd ed. 1982), pp.40-43.

3. INMARSAT Feature AR/SC/2, June 1982. INMARSAT Fact Sheet, AR/FS/3, July 1982, s.3.

4. Doyle, S.E., "INMARSAT: The International Maritime Satellite Organisation - Origins and Structure", 5 *Journal of Space Law* 1-2, pp.45-63 (1978). For general background of the development of International Law in the field of Satellite Communications, see Zhukov, G.P., "Worldwide Telecommunication System by Satellite; Legal Aspects", 9 *Colloq. on the Law of Outer Space* 91 (1966); Smith, D.D., *Communications Via Satellites: A Vision in Retrospect* (Leyden, 1976); and Menon, P.K., "International Maritime Satellite System", 8 *Journal of Maritime Law and Commerce* 95 (1976).

5. INMARSAT News Release, NR/83/15, 3rd August 1983, p.3.

6. Convention on International Maritime Satellite Organisation, opened for signature on 3 September 1976 in London, Art.2(3). A list of the current Signatories, along which the State Parties, can be found in Annex 3 to this work.

7. Id., Art.4(B).

8. Id., Art.29(1); and also paras. (3) and (4) which deal with the reorganisation of the financial contributions and liabilities of the departing and redesignated Signatories.

9. Id., Art.3(1).

10. For further details of the mechanics of this type of communications, see INMARSAT News Release, AR/NR/6, 2 February 1982; and "INMARSAT in Control", 3 *OV* 2, pp.4-6 (April 1982).

11. Fn.6 supra, Art.1(D).

12. Id., Art.1(E).

13. Fn.9 supra

14. Fn.6 supra, Art.3(2).

15. Participation of the Soviet Bloc countries was extremely desirable for securing a true "international" maritime satellite communications system and, more importantly, it was essential to the commercial viability and success of a co-ordinated Search and Rescue Service. The main objection of the Soviet Union was to the usage of MARISAT communications satellites (which are, inter alia, used by the U.S. navy), as permanent components of the INMARSAT System. For the connections of MARISAT with the U.S. navy, e.g. see Martin, E., "MARISAT: A Story of the Sea", 1 *OV* 1, pp.14-15 (October 1981). Interestingly, referring to a KGB announcement published on the back of the Soviet newspaper "Izbestia", in March 1983, the Western media reported that an American First Secretary in the U.S. Embassy in Moscow was caught by the KGB "red-handed" in the course of spying. It was alleged by the USSR that the diplomat, Richard Obsorn, was caught "whilst he was transmitting spying messages via the U.S. MARISAT communications satellite". The KGB also stated that it had seized notes

written by Mr. Osborn on a pad "made of paper which was quickly soluble in water". Since 1977, it was the first expulsion of a U.S. diplomat by the Soviet Union. While the expulsion was confirmed by the U.S. officials, no comment, contesting the legitimacy of expulsion, was made. For details, see "U.S. Spy Caught Red-Handed", *The Daily Telegraph* (London), 39729, 11th March 1983.

16. Fn.6 supra, Art.5(3).

17. On 26th January 1982, the number of ships using the INMARSAT system had reached the 1000th mark; "1000th SES Commissioning Sets New Growth Rate", 2 *OV* 2, p.4 (April 1982). On 20th September 1983, with the installation of a SES on Sedco 602 (an offshore drilling rig in Singapore), the number of INMARSAT users reached 2000; see INMARSAT News Release, NR83/17, 20th September 1983.

18. "Space Communications", (June 1982) *Space Flight* 272-273. Work, however, has been started by the Soviet Union on manufacturing her own Ship Earth Stations, and a feasibility study was initiated by INMARSAT to lease capacity on the Soviet "Molniya" communications satellites. These satellites are attractive to INMARSAT because their elliptical polar orbits cover higher latitudes than the satellites in geosynchronous orbit. For details see, "Soviet Offer Stirs High-Tech Concern", *International Herald Tribune*, 24th June 1983. For an insight into the current legal issues related to this area of international affairs, see Soroos, M.S., "The Commons in the Sky - The Radio Spectrum and Geosynchronous Orbit as Issues in Global Policy", 36 *International Organisation* 3, pp.665-678 (1982); and Bockstiegel, K.-H., "Doing Business in Space: Legal Issues and Practical Problems", 31 *ZLW* 1, p.58 et seq. (1982).

19. INMARSAT Fact Sheet, AR/FS/2, July 1982.

20. Fn.15 supra

21. Fn.19 supra

22. Fn.10 supra

23. Id.

24. See further "Voice in the Wilderness", 3 OV 3, p.4 (July 1983); INMARSAT News Release, NR83/12, 1st July 1983; and NR83/11, 24th May 1983. See also Annex 4.

25. Fn.6 supra, art.10.1(2)

26. Id., Art.8.

27. Id., Art.11(2).

28. Id., Art.11(4).

29. For the amendment procedure for INMARSAT Convention, see Id., Art.34; and, for the amendment procedure of the Operating Agreement, see Art.XVII of that Agreement.

30. For the termination of membership of a Party, see Fn.6 supra, Art.30.

31. Id., Art.13(1).

32. Id., Art.14(1).

33. Id., Art.14(2).

34. Id., Art.14(4).

35. Id., Art.15.

36. Id. (for comparison with an ordinary commercial enterprise, see the calling of tenders by the Council, INMARSAT News Release, NR83/15, 3rd August 1983.

37. Id., Art.16.

38. Id.

39. INMARSAT News Release, AR/NR/11, 19th May 1982., In May 1982, the London Operations Control Centre was providing central control by 70 members of staff. Three Network Coordination Stations (NCSs) allocated satellite circuits to ships and Coast Earth Stations on a call by call basis and supervised the regions technically. The Atlantic NCS is in Southbury, U.S.A., the Pacific NCS is in Ibaraki, Japan, and the Indian Ocean NCS is in Yamaguchi, Japan: see further, Fn.10 supra.

40. Fn.6 supra, Art.17.

41. Id., Art.18(2).

44. Id., Art.22.

45. EUROCONTROL International Convention Relating to Cooperation for the Safety of Air Navigation of 13th December 1960, as amended by the Protocol, signed on 12th February 1981 in Brussels, Art.30.

46. Id., Art.31.

47. Fn.6 supra, Art.19.

48. Id., Art.20.

49. Fn.6 Art.8.

50. Id., Art.27.

51. The Organisation has been cooperating with the ITU, ICRC and the U.N. Disaster Relief Organisation to provide communications in natural disasters. Disaster relief and rescue authorities can take portable terminals to affected areas, enabling them to have instantaneous satellite communications through INMARSAT. The terminals, being on terra firma, will be cheaper as they do not require the sophistication needed to keep them stable on ships in motion: INMARSAT News Release, NR83/11, 24th May 1983; and INMARSAT News Release, AR/NR/14, 10th August 1982.

52. Fn.6 supra, Art.29(2).

53. Fn.6 supra, Art.19.

54. Id., Art.26.

55. Id. Headquarters Agreement between the Government of the United Kingdom of Great Britain and Northern Ireland, and INMARSAT came into force on 25th February 1980. The Protocol on the Privileges and Immunities of INMARSAT had provided that it would come into force 30 days after the deposit of the tenth document of ratification. The Canadian accession document was the tenth instrument to be deposited on 30th June 1983 and, accordingly, the Protocol came into force on 30th July 1983. The other 9 Parties were: Bulgaria, Byelorussia, Finland, Liberia, Netherlands, Norway, Sri Lanka, Ukraine and the USSR.

56. Fn.6 supra, Art.25.

57. Bulin, R., "The European Organisation for the Safety of Air Navigation - EUROCONTROL", 22 *Annuaire Europeen* 137-154, at 137-138 (1974).

58. Id., p140. Italy, which had been participating in the preparatory work hitherto, did not come to the diplomatic conference, due to its internal organisation and military air navigation.

59. Mousse, J., "EUROCONTROL - The Changes Effected in the International Organisation by the Instruments Signed on 12th February 1981", 7 *Air Law* 1, p23 (1982); particularly, the annex to the article.

60. Final Act of the Diplomatic Conference on the Protocol Amending the EUROCONTROL International Convention Relating to Cooperation for the Safety of Air Navigation of 13th December 1960, Annex II, Art.1(2). Annex II contains the consolidated text of the 1960 Convention as it has

been modified by the 1981 Protocol.

61. Weber, L., "EUROCONTROL Route Charges Litigation before the Court of Justice of the European Communities", 3 *AASL* 355-369 (1978); particularly at p355.

62. EUROCONTROL Annual Report, 1983, p12. In May 1983, after conducting some exploratory studies, conclusion of similar arrangements with Pakistan was anticipated; Id., p15.

63. Fn.59 supra, p25.

64. Collester J. B., and Burnham, H., "EUROCONTROL: A Reappraisal of Functional Integration", 13 *J. of Common Market Studies* 4, p345-367, at p346 (1975).

65. For details, see Silvain, C., "A Route Charges System for the Whole of Europe?" 2 *EUROCONTROL* 4, p4 et seq. (1971); Douplat, J., "Rational Cost-Sharing between the Users: The Key to an Equitable Route Charges System", 3 *EUROCONTROL* 2, p26 et seq. (1973); Goy, R., "The International System of Route Charges", *Revue Generale de l Air et de l Espace* (Paris, 1972); Marriot, H. J., "The Collection of Route Charges", 3 *EUROCONTROL* 5 (1975); Putz, L., "Recent Developments in the Central Route Charges Office s Data-Processing Facilities", 6 *EUROCONTROL* 3 (1975); and *EUROCONTROL Central Route Charges Office* (Brussels, December 1980).

66. Tariffs and Conditions of Application for User Charges, annexed to the Decision of the EUROCONTROL Agency, 16th January 1971; and Conditions of Payment for User Charges, supp.2 to the Decision.

67 Fn.61 supra, p357.

68. EUROCONTROL Annual Report, 1983, p29-30; economic studies were in progress in 1983 to include the foreseeable staff pensions cost in the

forecast costing of charges, Id., p36. For background, see "The Financing of Air Navigation Facilities and Services by Means of Route Charges: A Common Policy Implemented by EUROCONTROL and Eleven European States", 34 *ITA Bul.* 801-804 (1974).

69. Ludwig Weber has tried to tell us what has happened in this case, but jurisdictional inter-relationship between the European Court and the German Court and ambiguous pronouncements of the courts renders it impossible to sum up the decision in a few words, see further Fn.61 supra, p358 et seq. Also Kean, A. W. G., "Comments on Air Transport", (April 1977) *The J. of Business Law* 142-145; and also Case 29/76, (1976) *ECR* 1541 et seq.

70. In 1982 AGM, IATA Executive Vice-President and Technical Committee Chairman said that EUROCONTROL "is fairly efficient at collecting money, but not at doing much else": "EUROCONTROL Criticised", AW & ST, p41 (22nd November 1982). However, the D.G. of IATA said that it was "a symbol of European cooperation that cannot be allowed to expire" but "unfortunately, it is an expensive symbol" for which the passengers and airlines pay; Id. For praise of functionalists and other supportive observations, see Fn.64 supra; Leveque, J., "EUROCONTROL: A Practical Application of International Cooperation", (1982) *Controller* 2, p13, 15-17; and "EUROCONTROL Acts to Improve Management of Airspace", *AW & ST*, p34 (23rd March 1981). But criticism has been very strong, see the views of the U.K. Sec. of State for Department of Trade, Mr. Tebbit, Fn.71 supra; and "EUROCONTROL Dream Finally Dies", *Flight International* p466 (27th February 1982).

71. Tebbit, N., "The Future of EUROCONTROL", (1981) *Interavia* 3, p251-253.

72. Press Release, 56th Session of the EUROCONTROL Permanent Commission, 4FG/02/80 (20th November 1980); see the Annex thereto, p1.

73. Id., p1-2.

74. Id.

75. The English version of review papers weighed 55 kikogrammes. Thousands of hours were spent by scores of experts to produce the 1981 Protocol; see Fn.59 supra, p23-24.

76. The Protocol Amending the EUROCONTROL International Convention Relating to the Safety of Air Navigation of 13th December 1960, signed at Brussels on 12th February 1981, Art.XL, which provides that if the new regime could not be effected on 31st March 1983, then it should be brought into force on 1st July or 1st January subsequent to the receipt of all ratifications.

77. Fn.60 supra, Art.2(1).

78. Fn.76 supra.

79. Id., Art.V.

80. Feasel, M., "EUROCONTROL Responsibility Reduced", *AW & ST*, p46 (13th December 1982).

81. Fn.60 supra.

82. Id., Art.5(3).

83. Id., Art.6(1)(A).

84. Id., Art.6(1)(B), 6(2).

85. Id., Art.7(1).

86. Id., Art.34

87. Statute of the Agency, Annex I to the EUROCONTROL International Convention Relating to the Cooperation for the Safety of Air Navigation of 13th December 1960, as amended by the 1981 Protocol, Art.2(1).

88. Fn.76 supra, Art.1.

89. A meeting of the ministers of the Federal Republic of Germany and BENELUX countries, on 23rd November 1982, could not agree on extending the EUROCONTROL authority from 30000 to 20000 feet into the lower airspace. It was mainly due to German insistence to control the relevant airspace itself, principally in the interest of military security, despite some economic and operational benefits: Fn.80 supra.

90. Fn.87 supra, Art.2(5).

91. Id., Art.6(3); Arts.7, 8 and 9 detail the functions of the Committee of Management.

92. Id., Art.14.

93. Id., Art.15(4).

94. See, e.g., the list of a variety of instruments by Mousse, Fn.59 supra.

95. Id., p26.

96. Fn.87 supra, Art.19

97. EUROCONTROL International Convention Relating to Cooperation for the Safety of Air Navigation, Brussels, 13th December 1960. Foh the modified obligation on the part of the member States to place financial resources at the disposal of the Organisation, to preserve its "financial equilibrium", see Fn.60 supra Art.30.

98. Fn.60 supra, Art.31.

99. Id.

100. Fn.59 supra, p33; and see the modifying Protocol on the Taxes and Charges of 21st November 1978 (in force, 1st January 1980).

101. Fn.76 supra, Art.XIV.

102. Id., Art.XVIII.

103. Id., Art.XVII.

104. Id., Art.XIX.

105. Fn.87 supra, Art.12. To the exclusion of national courts of member States, a dispute between the personnel and the Organisation are submissible to the Administrative Tribunal of ILO. This procedure was brought about by the modification of the Statute of the Agency by the Permanent Commission: Fn.59 supra, p35-36.

106. Fn.76 supra, Art.XX.

107. Id., Art.XIX.

108. Id., Art.XV.

109. Fn.60 supra, Art.4.

110. Multilateral Agreement for the Collection of Route Charges, Brussels, 12th February 1981, Art.14.

111. Fn.59 supra, p36; and Judgment of 16th September 1977, (1978) *ZLW* 125.

112. Id.

FOOTNOTES
Chapter 9

A COMPARATIVE OVERVIEW

of

INMARSAT, EUROCONTROL and SITA

1. See, e.g., Haanappel, Peter P. C., *Rate Making in International Air Transport Association* (1978); and Chuang, Richard Y., *The International Air Transport Association* (1972)

2. Matte, N. M., *Aerospace Law: Telecommunications Satellites* (1982); and Smith, D. D., *Communications Via Satellites: A Vision in Retrospect* (1976)

3. *However, a single signatory of INMARSAT may be permitted to hold more than 25% voting power, if it has offered the excess investment for voluntary purchase to other parties but no party has been able to exercise that option; see Art.14, Convention on International Maritime Satellite Organisation, London, 3rd Sept. 1976*

4. *Collester, J. B., and Burnham, H., ""EUROCONTROL: A Reappraisal of Functional Integration", 13 J. of Common Market Studies 4,* p345-367, at 346 (1975)

5. For details see an article by an ex D.G. of EUROCONTROL, Bulin, R., "The European Organisation for the Safety of Air Navigation - EUROCONTROL", 22 *Annuaire Europeen* 137-154, at 137-139 (1974)

6. Fn.3 supra, Art.19

FOOTNOTES

Chapter 10

CONCLUSION

The Legal Personality of SIIA,

1. An elaborate comparison between International Law and Municipal Law, leading to a deduction that the former exists doubtlessly, albeit with different means of enforcement, may be found in the book of Akehurst, M., *A Modern Introduction to International Law* (3rd ed., 1977), p9-18. For the role of IGOs in the implementional machinery of I.L., see Osieke, E., "Sanctions in International Law - the Contributions of International Organisations", 31 *NILR* 183-198 (1984)

2. Envoys of various nations, for instance, met in 1786 in France to deal with Piratical Powers of Barbary, see Szasz, P. C., "Thomas Jefferson Conceives an International Organisation", 75 *AJIL* 138-140 (1981)

3. Brierly, J. L., *The Law of Nations* (6th ed., 1963), p96

4. The U.S. President Polk first appointed a charge d'affaires to Papal States in 1848, primarily for commercial purposes. The appointment was soon upgraded to the rank of Minister Resident, and these diplomatic relations were continued by successive governments until 1867 when the Congress abolished the appropriation of funds for running an embassy in Rome by an Act dated 28th Feb. 1867: Flynn, Fn.5 infra, p441, 443; also United States Ministers to the Papal States: Instructions and Despatches I (L. Stock ed. 1933)

5. Flynn, J., "Diplomatic Relations, United States Ambassador to the Holy See, 20 Weekly Comp. Pres. Doc.22 (January 16th, 1984)" 25 *Harv. Int. L.J.* 441-50, at 446 (1984). The list of States having diplomatic links with the Holy See may be found in: (1983) *Annuario Pontificio* 1169 et seq.

6. For UPU see: Schwarzenberger, G., *International Constitutional Law* (1976), p5; and Constitution of the UPU, 3rd Oct. 1957, Art.4. For associate membership see, e.g., WHO Constitution, Art.8; also Gold, ., *Membership and Non-Membership in the International Monetary Fund* (1974), p226 et seq.

7. Oppenheim, *1 International Law* (8th ed., 1955), p119. Other than signing some multilateral treaties, e.g. Treaty of Versailles, India was accepted as a member by 51 IGOs which included the League of Nations, the ILO and the United Nations, before it ceased to be a British colony on 15th August 1947. The U.S. had recognised Canada as a genuine self-governing dominion and its participation in the League of Nations as effective as any other member under Art.1(2) of the Covenant. But it regarded the membership of India and some other colonies to be motivated by British political convenience. Accordingly, the American government and commentators advocated to ignore the participation of such entities in the adoption of binding resolutions to generate full legal consequences: Poulose, T. T., "India as an Anomalous International Person (1919-1947)", 44 *BYBIL* 201-212, at 205-207 (1970)

8. South-West Africa Cases (II phase), (1966) *ICJ Reps.* 21 et seq.

9. Id., p23

10. Id., p28-29

11. 51 Dept. of St. Bul. 174 et seq. and 579 (1964); and Henkin, L., *How Nations Behave: Law and Foreign Policy* (2nd ed., 1979), p44

12. Reynolds, P. A., "Non-State Actors and International Outcomes", 5 *Brit. J. Int. Studs.* 91-111 (1979)

13. When ICAO was created in 1944, it was provided that it shall enjoy in the territory of a Contracting State "such legal capacity as may be necessary for the performance of its functions". Although the granting of the "fullest juridical personality" was stressed, a lot of the effect was lost by making it conditional upon "wherever compatible with the Constitution and the laws of the State concerned", see Convention on International Civil Aviation, 7th Dec. 1944 (Chicago), Art.47, ICAO Doc.7300/5 (1975)

14. U.N. Charter, Art.104

15. Reparations for Injuries Case, (1949) *ICJ Reps.* 174 et seq.; see also Harris, Fn.22 infra, p132 et seq.

16. This view is mainly held by the publicists trained in the Common Law tradition. For example, the link of institutional ILP with State consent is strongly pursued throughout his article by Percy Corbett, "What is the League of Nations?" (1924) *BYBIL* 119-48. Some of the Western writers, however, believe that an IGO like the U.N. may have its "origin in an instrument contractual in form" but after establishment it may "assume an objective self-existent character effective for all the world": FitzMaurice, G., "The Law and Procedure of the International Court of Justice: International Organisations and Tribunals", 29 *BYBIL* 21 (1952)

17. The Tunkin school of Soviet thinking on this issue concedes some measure of ILP to IGOs, but it stresses the non-sovereign character of this personality and restricts it considerably by emphasising that an institution has no independent ILP but it is derived from the member States. Some Soviet jurists, on the other hand, believe that member States confer only a "highly limited and conditional personality"; they are willing to consider the issue of institutional ILP because they cannot attribute notions of culpability and responsibility to an institution which is not recognised to be in existence as a legal person. See, Osakwe, C., "Contemporary Soviet Doctrine on the Juridical Nature of Universal International Organisations", 65 *AJIL* 502-21, at 510-13 (1971); see also, Tunkin, G. J., "The Legal Nature of the United Nations", 119 *RDC* III, p31-2 (1966); and for a "highly limited" view (as cited by Osakwe); see Modzhorian, L. A., *Sub'ekty Mezhdunarodnogo Prava* (Moskva, 1958), p33-4

18. This view has been advocated mainly by jurists brought up in the Civil Law tradition. See, e.g., Seyersted, F., "International Personality of Inter-Governmental Organisations: Do their Capacities depend on their Constitutions?", 4 *Indian J. of I.L.* 1-74 (1964); Seyersted in the same issue at p233-58; Seyersted, *Objective International Personality of Inter-Governmental Organisations* (1963)

19. Mousse, J., "Eurocontrol: The Changes effected in International Organisation by the Instruments signed on 12th February 1981", 7 *Air Law* 31 (1982)

20. Id.

21. Convention for the Establishment of the Central American Court of Justice, 20th Dec. 1907, Art.II, 2 *AJIL* 231 (1908, supp.)

22. Harris, D. J., *Cases and Materials on International Law* (2nd ed., 1979), p138-39

23. Starke, J. G., *An Introduction to International Law* (8th ed., 1977), p79

24. Friedmann, W., "International Public Corporations", 6 *MLR* 185-207, at 206 (1943)

25. Id., p185-186 and 189 et seq. Friedmann envisaged the development of IPCs on similar lines as the quasi-governmental autonomous national corporations. (He gives examples of such municipal bodies in the U.S., Germany and Soviet Union. Together with other specific examples, he mentions the British Broadcasting Corporation, BBC, which later became successful model for many other bodies (e.g. Civil Aviation Authority) in the United Kingdom.

26. Id., p195

27. Id., p204

28. Id.

29. These arguments equally apply to some of the IGOs e.g. the International Bank for Reconstruction and Development which is incorporated under Swiss Law.

30. Some of these criticisms have been shared by Friedmann, Fn.24, supra, p203

31. As a progressive thinker, Friedmann was keen to see positive changes in the juristic approaches of the 1943 traditionalists. Therefore, he regarded this inhibitive consequence to be "the most important of all", Id.

32. The lacunae which exist in the current International Law viz INGOs particularly those with non-profit constitutions, are described in

detail by Olec, H. L., *Nonprofit Corporations, Organisations and Associations* (4th ed., 1980). However, some action has already taken place (though with limited success) in various fora; see Dahlen, O., "Future Relation between the U.N. and the NGOs", 33 *Transnational Associations* 160-162 (1981); and Tharp, P. A., "Transnational Enterprises and International Regulation, a Survey of Various Approaches to International Organisations", 30 *International Organisation* 47-73 (1976). Some structure is provided to the functioning of INGOs by the consultative relationship machinery of the U.N. Economic and Social Council; for details see, Gunter, M., "Towards the Consultative Relationship between the United Nations and Non-Governmental Organisations?" 10 *Vand. J. Transnational Law* 557-587 (1977); "UNESCO and International Non-Governmental Organisations: from Consultation to Cooperation", 33 *Transnational Associations* 30-37 (1981); and Huggard, M., "NGOs and the United Nations System - an Examination of Formal and Non-Formal Consultative Relationships", 31 *Transnational Associations* 163-173 (1981).

33. A survey, only covering the regions of Europe, Middle East, Africa, Caribbean, and Central and South America, shows that 42 SITA member airlines belong 50% or more to a State/States; see (1982) *Interavia* 10, p1078 et seq. See also Annex I to this work where the airlines which are majority-owned by States are indicated by underlining.

34. Chicago Convention, Fn.13 supra, Art.69 and Ch.XI generally. For meticulously set out regulations in 2 volumes, see International Standards; Recommended Practices; Procedures for Air Navigation Services: Aeronautical Telecommunications, Annex 10 to the Chicago Convention.

35. IATA has been regularly invited to participate in the proceedings of the ITU, as an observer. With a similar standing, it is invited to contribute to some of the proceedings of the ICAO organs; for instance, it has been participating as an observer in the work of the ICAO Subcommittee on the Preparation of a Draft Instrument on the Interception of Civil Aircraft, see Pourcelet, M., 10 *Air Law* 51-52 (1985). When the ILA passed a resolution in 1982 to continue the review of the international air carrier liability regime, it specifically requested the transmission of its Report to ICAO (patently important) and IATA for consultation and comments: ILA Rep. of the 60th Conf., Montreal, 29th Aug.-4th Sept. 1982, Air Law, res.13, p14

36. Even though Britain had played an important role in securing contractual arrangements between its national (Anglo-Iranian Oil Company) and the Imperial Government of Iran, the ICJ held that it did not amount to a treaty and that it was merely a concessionary contract. see Anglo-Iranian Oil Company Case, (1952) *ICJ Reps.* 23. A fortiori the contracts between SITA and governmental bodies cannot be categorised as having the status of a treaty.

37. A quasi-governmental trading corporation, originating from the Polish Constitution, was held not to be any different from other commercial enterprises; the Court of Appeal of England reached this conclusion by the application of a "functional" test, see Czarnikow Ltd. v. Centrala Handlu Zagranicznego (Rolimplex), (1978) 1 *All E.R.* 1981. For application of an "objective" test in more cases of this type, see Baccus SRL v. Servico Nacional del Trigo, (1956) 3 *All E.R.* 715; and Trendtex Trading Corporation v. Central Bank of Nigeria, (1977) 1 *All E.R.* 881. See also Lesser, M., "Rolimplex - a Sweet Solution to Legal

Status", 128 *New L.J.* 591-92 (1978); and Weston, B. H., et al, *International Law and World Order* (1980), p824 et seq.

37A. Bos, M., *A Methodology of International Law* (1984), Preface, pvii. Dr. Bos has learnedly illustrated the origin of custom being in opinio juris of State practice, rather than in the voluntas of States, in his article "The Identification of Custom in International Law", 25 *GYIL* 9-53, particularly at pp45-46 (1982)

38. Lauterpacht, H., *International Law and Human Rights* (1950), p12

39. Judge Alvarez by using the expression "individualism" is here referring to the attitude of States to act as individuals, rather than constituting a collectivity of States regulated by a uniformed body of International Law.

40. Alvarez (Judge of the ICJ), "The Reconstruction and Codification of International Law", 1 *ILQ* 469-481 (1947)

41. Separate Opinion of Judge Ammoun, Barcelona Traction Case, (1970) *ICJ Reps.* 288-90

42. Ijalaye, David A., *The Extension of Corporate Personality in International Law* (1978), p147-246, particularly at 240 et seq.

43. Id.

44. Advisory Opinion on the Jurisdiction of the Court of Dansig, (1928) *PCIJ Reps.*, Ser.B/15. Upper Silesian Arbitral Tribunal in its award of 30th March 1928 rejected a Polish submission that a citizen could not sue his own State. The tribunal refused to attach to the clear wording of the governing treaty a qualification not found in its terms; see further Lauterpacht, H., 1 *Internation Law - Collected Papers* (1970, ed. E. Lauterpacht), p289-90. The monists have always believed that, in

the ultimate analysis, the individuals are the true subjects of International Law because "the duties and rights of States are only the duties and rights of the men who compose them": Westlake, *1 Collected Papers* (1914), p71

45. See, e.g., the Court of Arbitration of International Chamber of Commerce which arbitrate, inter alia, disputes between private persons and States. IGOs like the U.N. and its Specialised Agencies and IAEA usually insert a standard clause of arbitration to use this Court: Bockstiegel, K.-H., "Arbitration of Disputes between States and Private Enterprises in the International Chamber of Commerce", 59 *AJIL* 579, at 581 and 584-85 (1965). "The record of compliance with awards rendered under the ICC rules of procedure is very good": see O Keefe, Fn.46 infra, p303 and also p290

46. O Keefe, Patrick J., "The International Centre for Settlement of Investment Disputes", (1980) *YWA* 286-304. ICSID was created by the Convention on the Settlement of Investment Disputes between States and Nationals of other States, in force from 14th Oct. 1966. In Jan. 1985, 87 States had ratified it and 4 signatories were in the course of ratification. Eighteen arbitrations and 2 conciliations were referred to the Centre by 31st Jan. 1985; ICSID Press Release, 31st Jan. 1985

47. The Rules of Procedure of the ICSID, for instance, have been formulated by the Administrative Council of the Centre and the tribunal itself has the competence to fill in any gap in the rules, Id., p300. The current Rules of Procedure are embodied in: Doc. ICSID/4/rev.1

48. In view of this situation, the U.N. passed a resolution, authorising the Secretary General to bring international claims for obtaining compensation in respect of any damage caused to the U.N., and

if necessary submit to arbitration under appropriate procedures, such claims which cannot be settled by negotiations: UNGA Res.365(IV), 1st Dec. 1949

49. Rosenne, S., *The Law and Practice of the International Court* (1965), vol.1, p289. Calling it a "typical conservatism", Rosenne has criticised the formulators of the Rules of Procedure of the ICJ for not incorporating "formal procedural provision enabling in appropriate circumstances an individual, directly affected by the litigation of a contentious case between States, to be heard in the Court, even while that individual State remains formally the dominus litis", see Rossene, "Some Reflections on the 1978 Revised Rules of the International Court of Justice", 19 *Columbia J. of Transnational Law* 235-253, at 247 (1981)

50. ILA Rep. of the 47th Conf. (1956), pviii, was passed to this effect.

51. Lauterpacht, Fn.38 supra, p48

52. Jenks, C. W., *The Prospects of International Adjudication* (1964), p209

53. Ijalaye, Fn.42 supra, p267-8

54. Id.

55. For notions of "regional integration", etc., see Simmonds, K. R., "The Techniques of International and Regional Integration in the World", (1974) *Rapports Generaux* 573-579; by the same author "International Economic Organisations in Central and Latin America, and the Caribbean: Regionalism and Sub-Regionalism in the Integration Process", (1970) *ICLQ* 376-97; and Keohane, R. O., "The Demand for International Regimes", 36 *International Organisation* 325-56 (1982)

56. Credibility of a transborder enterprise may be questionable when, inspired by taxation convenience, it is registered in a municipal system which has very little control over it. Some municipal systems can (generally in the name of confidetiality) impose technical legal restrictions on parties interested in verifying the financial and operational soundness of persons incorporated in them.

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Redistribution of Capital Shares for the Year 1983

(Underlining, except regarding Asian Airlines, signified Majority Ownership of States)

The redistribution of shares to the members for the year 1983, relating to their participation during 1982 in the total costs of SITA shared services, is as follows

Companies	1982 Participation in BFR	1982 Percentage	Number of Shares
Air Lingus Teoranta	41 733 265	0.8145	12
Aeroflot	67 278 255	1.3131	19
Aeroleasing	359 311	0.0070	1
Aerolineas Argentinas	45 643 637	0.8908	13
Aero Llyod	2 062 346	0.0403	1
Aeronaves del Peru	978 734	0.0191	1
Aeronaves de Mexico	11 786 199	0.2300	3
Aeronica	3 679 571	0.0718	1
Aeroperu	25 995 593	0.5074	7
Aerotal	1 251 703	0.0244	1
Affretair (Private)	1 516 414	0.0296	1
Air Afrique	100 984 370	1.9704	29
Air Algerie	12 828 325	0.2504	3
Air Belgium	643 286	0.0126	1
Air Berlin	1 227 774	0.0240	1
Air Botswana	2 066 919	0.0403	1
Air Burundi	—	—	1
Air Canada	22 941 131	0.4478	6
Air Comores	846 137	0.0165	1
Air Djibouti	1 744 198	0.0340	1
Air Europe	1 776 144	0.0347	1
Air Florida	12 834 450	0.2505	3
Air France	149 291 818	2.9138	43
Air Gabon	12 397 965	0.2420	3
Air Gabon Cargo	1 512 095	0.0295	1
Air Guadeloupe	252 791	0.0049	1
Air Guinée	1 889 858	0.0369	1
Air India Int.	117 149 483	2.2865	34
Air Inter	6 522 248	0.1273	2
Air Ivoire	1 181 311	0.0231	1
Air Jamaica	1 013 623	0.0198	1
Air Lanka	47 470 464	0.9265	13
Air Liberia	546 628	0.0107	1
Air Limousin	60 990	0.0012	1
Air Madagascar	4 841 687	0.0945	1
Air Malawi	8 123 637	0.1586	2
Air Mali	3 295 886	0.0643	1
Air Malta	6 322 040	0.1234	2
Air Mauritanie	3 150 870	0.0615	1
Air Nauru	7 524 665	0.1469	2
Air New Zealand	9 000 569	0.1757	2
Air Niugini	1 689 863	0.0330	1
Air Pacific	1 794 846	0.0350	1
Air Panama Internacional	10 837 486	0.2115	3
Air Routing International	2 183 764	0.0426	1
Air Rwanda	1 586 596	0.0310	1
Air Senegal	555 590	0.0108	1
Air Sinai	554 530	0.0108	1
Air Tanzania	4 840 527	0.0945	1
Air U.K.	6 028 112	0.1167	1

Companies	1982 Participation in BFR	1982 Percentage	Number of Shares
Air Vanuata	990 263	0.0193	1
Air Volta	1 381 592	0.0270	1
Air Zaire	14 044 904	0.2741	4
Air Zimbabwe	8 160 817	0.1593	2
Alaska International	1 523 210	0.0297	1
ALIA - Royal Jordanian Airlines	86 333 918	1.6850	25
Alisardia SPA	4 005 430	0.0782	1
Alitalia	120 238 721	2.3467	35
All Nippon Airways	2 890 406	0.0564	1
ALM - Dutch Antillean Airlines	14 328 470	0.2797	4
Aloha Airlines	1 370 490	0.0268	1
Alyemda Democratic Yemen Airlines	2 899 369	0.0566	1
American Airlines	27 166 526	0.5302	8
Ansett Airlines of Australia	3 528 754	0.0688	1
Arab Air Cargo	346 732	0.0068	1
Arkia Israeli Airlines	1 362 753	0.0266	1
Arrow Airways	728 879	0.0142	1
Austral	2 182 311	0.0426	1
Austrian Airlines	17 419 453	0.3400	5
Aviacion Y Comercio	10 401 294	0.2030	3
Avianca	22 208 540	0.4335	6
Aviateca	4 308 100	0.0841	1
Aviogenex	1 345 169	0.0263	1
Balkan Bulgarian Airlines	58 068 561	1.1333	17
Bangladesh Biman	12 119 669	0.2365	3
Braathens	4 893 867	0.0955	1
Britannia Airways	4 231 538	0.0826	1
British Airways	147 543 446	2.8797	42
British Caledonian Airways	56 706 159	1.1068	16
British Island Airways	255 353	0.0050	1
British Midland Airways	3 220 148	0.0629	1
British West Indian Airways	3 905 067	0.0762	1
Burma Airways	2 889 222	0.0564	1
C.A.A.C.	21 016 006	0.4102	6
Cameroon Airlines	12 960 059	0.2529	3
Capitol Air	38 101 497	0.7436	11
Cargolux Airlines	10 068 031	0.1965	3
Cargoman	748 361	0.0146	1
Carribbean Air Cargo	1 069 030	0.0209	1
Cathay Pacific Airways	92 269 768	1.8009	26
Ceskoslovenske Aerolinie	45 991 622	0.8976	13
China Airlines	37 758 869	0.7369	11
Compagnie Aéromaritime d'Affrètement	342 115	0.0067	1
Compania de Aviacion Faucett	11 218 041	0.2190	3

Airline	Participation in BTK	Percentage	Shares
Compania Panamena de Aviacion	1 683 159	0 0329	1
Continental Air Lines	27 099 628	0.5289	8
C P Air	30 664 693	0 5985	9
Cubana de Aviacion	7 577 588	0 1479	2
Cruzeiro do Sul	1 519 147	0 0297	1
Cyprus Airways	13 002 663	0 2538	3
Dan Air Services	8 111 742	0 1583	2
Davis Airlines	1 011 216	0.0197	1
Delta Air Lines	13 241 829	0 2584	4
Deutsche Lufthansa	177 973 261	3 4736	51
Dominicana de Aviacion	9 386 608	0 1832	2
Eagle Air	726 940	0.0142	1
Eastern Airlines	25 946 739	0 5064	7
Ecuatoriana de Aviacion	24 069 213	0 4698	7
Egyptair	56 582 463	1.1043	16
El Al Israel Airlines	34 718 577	0,6776	10
Emery Worldwide	15 191 189	0.2965	1
Ethiopian Airlines	35 327 520	0.6895	10
Europe Aero Service	1 084 078	0.0212	1
Fast Air	1 819 340	0.0355	1
Finnair Oy	23 247 402	0.4537	6
Flugleidir Icelandair	22 925 850	0.4475	6
Flying Tiger Line	48 243 756	0 9416	14
Garuda Indonesian Airways	48 126 960	0.9393	14
Gemini Airlines	1 115 988	0.0218	1
Ghana Airways	5 661 609	0.1105	1
Gibraltar Airways (obs)	—	—	1
Global Intern. Airways	1 231 153	0.0240	1
Gulf Air	42 489 704	0.8293	12
Guy America	626 540	0.0122	1
Guyana Airways	3 987 837	0.0778	1
Hapag Lloyd	8 268 805	0.1614	1
Hawaiian Airlines	1 731 065	0.0338	1
Heavylift Cargo	1 357 385	0.0265	1
Iberia	88 636 195	1.7299	25
Indian Airlines	13 534 934	0.2642	4
Inex Adria Aviopromet	3 133 438	0.0612	1
Interflug	15 196 183	0.2966	4
International Air Cargo	1 573 991	0.0307	1
International Caribbean Airways	1 715 521	0.0335	1
Iran Air	20 991 908	0.4097	6
Iraqi Airways	24 933 695	0.4866	7
Japan Airlines	97 447 015	1.9019	28
Japan Asia Airways	8 981 374	0.1753	2
Jersey European	1 638 835	0.0320	1
Jugoslovenski Aerotransport	38 937 112	0.7600	11
Kenya Airways	17 844 640	0.3483	5
Kibris Turk Hava Yollari	1 318 058	0.0257	1
KLM Royal Dutch Airlines	190 853 068	3.7250	55
Korean Airlines	75 802 292	1.4795	22
Kuwait Airways	106 729 395	2.0831	31
Ladeco	15 435 934	0.3013	4
LAM Mozambique Airlines	2 [illegible]	0.0571	1
Lauda Air	[illegible]	0.0144	1

Airline	Participation in BTK	Percentage	Shares
Lebanese Air Transport	1 429 192	0.0279	1
Lebanese Helicopter	168 129	0 0033	1
Lesotho Airways	951 762	0 0186	1
Libyan Arab Airlines	28 078 027	0 5480	8
Linea Aerea Nacional de Chile (LAN)	33 353 601	0 6510	9
Linea Aeropostal Venezolana	1 927 662	0 0376	1
Lineas Aereas Costarricenses (LACSA)	3 017 938	0 0589	1
Lineas Aereas Paraguayas	20 955 172	0 4090	6
Lloyd Aereo Boliviano (LAB)	21 598 572	0.4216	6
LOT Polish Airlines	36 435 958	0.7111	10
L.T.U. Lufttransport Unternehmen	4 065 262	0 0793	1
Luxair	15 864 549	0 3096	4
Maersk Air	2 094 988	0.0409	1
Malaysian Airlines System	39 467 513	0.7703	11
Malev Hungarian Airlines	80 259 263	1.5665	23
Maof Airlines	1 601 290	0 0313	1
Martinair Holland	5 175 737	0 1010	1
Mexicana	7 523 313	0.1468	2
Middle East Airlines	39 745 118	0.7757	11
Monarch Airlines	2 350 628	0.0459	1
New York Helicopter	635 324	0 0124	1
Nigeria Airways	33 203 369	0 6480	9
Northwest Airlines	41 326 317	0.8066	12
Northwest Territorial Airways	490 169	0.0096	1
Nurnberger Flugdienst	79 939	0 0016	1
Olympic Airways	55 098 862	1 0754	16
Oman Aviation Services	755 590	0.0147	1
Orion Airways	1 548 763	0.0302	1
Overseas National Airways	3 968 264	0 0775	1
Pacific Western Airlines	553 947	0.0108	1
Pakistan Int. Airlines	89 496 351	1.7467	26
Pan American World Airways	64 827 104	1.2653	18
Pelita Air Service	1 202 943	0.0235	1
Philippine Airlines	75 573 429	1.4750	22
Pluna	3 903 407	0.0762	1
Private Jet Services	1 062 292	0.0207	1
Qantas Airways	35 221 362	0.6874	10
Quebecair	274 383	0.0054	1
Republic Airlines	3 255 766	0.0635	1
Royal Air Maroc	25 023 118	0.4884	7
Royal Brunei Airlines	1 678 159	0.0328	1
Royal Nepal	4 793 939	0.0936	1
Royal Swazi National Airways	1 967 546	0.0384	1
Sabena	58 017 074	1.1323	17
S.A.T. Fluggesellschaft	1 519 080	0.0297	1
Saudi Arabian Airlines	98 068 428	1.9140	28
Scandinavian Airlines System	86 912 610	1.6963	25
Servicio Aereo de Honduras (SAHSA)	13 [illegible] 431	0.27[illegible]	4

	in BFR		Shares
Sierra Leone Airlines	345 063	0 0067	1
Singapore Airlines	131 872 578	2.5738	38
Somali Airlines	3 408 864	0.0665	1
South African Airways	41 616 895	0 8123	12
Southern Air Transport	618 091	0.0121	1
Spantax	5 991 854	0 1169	1
Sterling Airways	3 224 192	0 0629	1
Sudan Airways	9 330 766	0 1821	2
Surinam Airways	5 172 723	0.1010	1
Swissair	145 739 626	2.8445	42
Syrian Arab Airlines	28 646 882	0 5591	8
T.A.A.G. Angola Airlines	7 972 546	0 1556	2
T.A.M. Transportes Aereos Regionais	84 126	0 0016	1
Tarom Rumanian Air Transport	8 311 201	0 1622	2
Thai Airways Company	1 690 651	0.0330	1
Thai Airways International	71 532 617	1.3961	20
Touraine Air Transport	4 471 668	0.0873	1
Tradewinds Airways	3 197 032	0 0624	1
Transamerica Airlines	15 820 216	0 3088	4
Trans Australia Airlines	2 742 313	0 0535	1
Transavia Holland	1 799 851	0.0351	1
Transbrasil	2 326 250	0,0454	1
Trans European Airlines	1 580 821	0 0309	1
Transjet	370 368	0 0072	1
Trans Mediterranean Airways	16 819 990	0.3283	5
Transporte Aero Rioplatense	1 746 709	0 0341	1
Transportes Aereos Portugueses	47 609 494	0 9292	14
Trans World Airlines	44 841 793	0.8752	13
Tunis Air	20 026 251	0.3909	5
Tunisavia	600 084	0.0117	1
Turk Hava Yollari	28 636 313	0.5589	8
Tyrolean Airways	639 810	0.0125	1
Uganda Airlines	2 802 355	0,0547	1
Union de Transports Aériens	132 717 620	2.5903	38
United African Airlines	155 422	0.0030	1
United Airlines	23 295 744	0.4547	6
Universal Airways	4 188 831	0 0818	1
Varig	72 941 480	1 4236	21
Viacao Aerea Sao Paulo (VASP)	2 706 753	0.0528	1
Viasa	26 399 771	0 5153	7
Wardair Canada	4 632 743	0.0904	1
West Africa Airlines	270 181	0.0053	1
Western Airlines	2 881 039	0.0562	1
World Airways	10 573 972	0.2064	3
Yemen Airways	7 987 622	0.1559	2
Zambia Airways	11 934 613	0.2329	3
Zimex Aviation	454 078	0.0089	1
TOTAL BFR	5 123 645 937	100.0000	1502

Participation of companies having ceased membership during 1982 + 16 491 614

GRAND TOTAL BFR 5 140 137 551

SITA

STATUTS
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SITA

Société Internationale de Télécommunications Aéronautiques Société Coopérative 16, avenue Henri Matisse Evere - 1140 Bruxelles, Belgique Registre du Commerce de Bruxelles, nº 217.548

Société constituée suivant acte reçu par Maître Muller Vanisterbeek, notaire à Bruxelles, le 23 Février 1949 (annexes du Moniteur belge du 12 Mars 1949, nº 3551).
Statuts modifiés suivant procès-verbaux en date des:
1er Avril 1954
(annexes du Moniteur belge des 10/11 Janvier 1955, nº 715).
1er Avril 1957
(annexes du Moniteur belge du 12 Mai 1957, nº 11435).
26 Avril 1960
(annexes du Moniteur belge du 24 Octobre 1960, nº 28328).
3 Mai 1961
(annexes du Moniteur belge du 3 Juin 1961, nº 15536).
3 Mai 1966
(annexes du Moniteur belge du 28 Mai 1966, nº 16877).
8 Décembre 1966
(annexes du Moniteur belge du 6 Janvier 1967, nº 4-10).
23 Mai 1967
(annexes du Moniteur belge du 17 Juin 1967, nº 1493-1).
7 Mai 1974
(annexes du Moniteur belge du 31 Mai 1974, nº 1938-1).
6 Mai 1975
(annexes du Moniteur belge du 27 Mai 1975, nº 1686-13).
20 Mai 1976
(annexes du Moniteur belge du 16 Juin 1976, nº 2073-3).
23 Mai 1978
(annexes du Moniteur belge du 13 Juin 1978, nº 1555-23).
19 Mai 1981

SITA

Société Internationale de Télécommunications Aéronautiques A Co-operative Society 16, avenue Henri Matisse Evere - 1140 Brussels, Belgium Commercial Register of Brussels no. 217.548

Society constituted according to a deed received on 23rd February, 1949 by Maître Muller Vanisterbeek notary in Brussels (annexes to the Moniteur belge of 12th March, 1949, no. 3551).
Articles of Association modified according to procès-verbaux dated:
1st April, 1954
(annexes to the Moniteur belge of 10/11th January, 1955, no. 715).
1st April, 1957
(annexes to the Moniteur belge of 12th May, 1957, no. 11435).
26th April, 1960
(annexes to the Moniteur belge of 24 th October, 1960, no. 28328).
3rd May, 1961
(annexes to the Moniteur belge of 3rd June, 1961, no. 15536).
3rd May, 1966
(annexes to the Moniteur belge of 28th May, 1966, no. 16877).
8th December, 1966
(annexes to the Moniteur belge of 6th January, 1967, no. 4-10).
23rd May, 1967
(annexes to the Moniteur belge of 17th June, 1967, no. 1493-1).
7th May, 1974
(annexes to the Moniteur belge of 31st May, 1974, no. 1938-1).
6th May, 1975
(annexes to the Moniteur belge of 27th May, 1975, no. 1686-13).
20th May, 1976
(annexes to the Moniteur belge of 16th June, 1976, no. 2073-3).
23th May, 1978
(annexes to the Moniteur belge of 13th June, 1978, no. 1555-23).
19th May, 1981.

STATUTS

TITRE I - DENOMINATION, SIEGE SOCIAL, OBJET, DUREE

DENOMINATION

Article 1

Il est formé une société coopérative sous la dénomination de : "Société Internationale de Télécommunications Aéronautiques", en abrégé : "SITA". Dans ses relations avec l'étranger, la société pourra adjoindre à sa dénomination soit une traduction de celle-ci, soit une description de ses activités en langue étrangère.

SIEGE SOCIAL

Article 2

La société a son siège social à Bruxelles, ce terme comprenant l'ensemble de l'agglomération bruxelloise, et actuellement à Evere, avenue Henri Matisse, 16.

Il pourra être transféré en tout autre lieu par décision du conseil d'administration.

Par décision du conseil d'administration, la société pourra établir des sièges administratifs, succursales ou agences dans tous les pays où elle exercera ses activités.

OBJET

Article 3

La société a pour objet :

a) de développer tous les domaines se rapportant directement ou indirectement à la transmission et au traitement de toutes catégories d'informations nécessaires à l'exploitation des entreprises de transport aérien et de procéder à l'étude des problèmes qui leur sont relatifs afin de promouvoir dans tous les pays la sécurité et la régularité du transport aérien ;

b) de développer, acquérir, utiliser, exploiter et fournir dans tous les pays les moyens nécessaires à l'exploitation de services efficaces de télécommunication, de traitement et de transmission de toutes les catégories de données nécessaires à l'exploitation des entreprises de transport aérien (à l'exception des messages à caractère personnel ou destinés au public) ;

ARTICLES OF ASSOCIATION

CHAPTER I - TITLE, REGISTERED OFFICE, OBJECTS, DURATION

TITLE

Article 1

A co-operative Society has been formed under the title of "Société Internationale de Télécommunications Aéronautiques" (International Society of Aeronautical Telecommunications), abbreviated as "SITA". In its dealings abroad, the Society may add to its title either a translation of it, or a description of its activities in a foreign language.

REGISTERED OFFICE

Article 2

The Society's Registered Office is in Brussels, which term comprises the whole of the district of Brussels, and is at present at Evere, Avenue Henri Matisse, 16.

It may be transferred to any other place by decision of the Board of Directors.

By decision of the Board of Directors, the Society may establish administrative offices, branches or agencies in any country in which it operates.

OBJECTS

Article 3

The objects of the Society are :

a) to foster all telecommunication matters directly or indirectly connected with the transmission and processing of all categories of information required in the operation of air transport enterprises and to study the problems relating to them with the aim of promoting in all countries safe and regular air transport;

b) to develop, acquire, use, operate and provide in all countries the means necessary to operate efficient telecommunication, data processing and transmission services for all categories of information required in the operating of air transport enterprises (except messages of a private character or destined for the public);

c) de coopérer avec l'Union Internationale des Télécommunications, l'Organisation de l'Aviation Civile Internationale et autres organisations gouvernementales, internationales et nationales, l'Association du Transport Aérien International et autres organisations aériennes, dans tous les domaines concernant les télécommunications et la transmission et le traitement de données entre les entreprises de transport aérien;

d) et plus généralement d'effectuer toutes opérations se rapportant directement ou indirectement, en tout ou en partie, à son objet social, tel qu'il est déterminé ci-avant, ou qui seraient susceptibles d'en faciliter ou d'en favoriser la réalisation.

DUREE

Article 4

La durée de la société est fixée à trente années, qui prendront cours le vingt-trois février mil neuf cent quarante-neuf, pour finir le vingt-deux février mil neuf cent soixante-dix-neuf.

Elle pourra être prorogée pour un nouveau terme de trente années, par décision de l'assemblée générale statuant comme pour les modifications aux statuts.

L'assemblée générale du sept mai mil neuf cent soixante-quatorze a décidé de proroger la société d'une durée de trente années qui prendront cours le sept mai mil neuf cent soixante-quatorze pour prendre fin le six mai de l'an deux mille quatre.

c) to co-operate with the International Telecommunications Union, the International Civil Aviation Organization, other governmental, international and national bodies, the International Air Transport Association and other airline organizations, in all matters having a bearing on telecommunication and data processing and transmission between air transport enterprises;

d) and more generally to undertake anything which has a bearing directly or indirectly in whole or in part on the Society's object as determined heretofore, or which would be liable to facilitate or aid its realisation.

DURATION

Article 4

The duration of the Society is fixed at thirty years which will commence on twenty-third February, nineteen fourty-nine and will end on twenty-second February, nineteen seventy-nine.

This may be extended for a new term of thirty years by resolution of the General Assembly taken in the same way as prescribed for the amendment of the present Articles.

The General Assembly of seventh May, nineteen seventy-four decided to extend the duration of the Society for a period of thirty years which will commence on seventh May, nineteen seventy-four and will end on sixth May, two thousand and four.

TITRE II - CAPITAL, APPORTS, PARTS

Article 5

La société se compose d'associés dont le nombre et les apports sont variables.

Le capital de la société est variable en fonction de l'admission ou du retrait des associés.

Les parts représentant les apports sont incessibles à des tiers.

Les associés ne sont tenus qu'à concurrence de leur mise, sans qu'il puisse jamais y avoir entre eux de solidarité.

Article 6

Le minimum du capital social est fixé à la somme de cent quatre-vingt-dix mille francs belges.

CHAPTER II - CAPITAL, INVESTMENTS, SHARES

Article 5

The Society is composed of members whose number and shareholdings are variable.

The capital of the Society is variable according to the admission or withdrawal of the members.

Shareholdings representing member's investments may not be transferred to third parties.

The liability of members is limited to the amount of their investments, there being no joint liability whatsoever.

Article 6

The minimum capital of the Society is fixed at one hundred and ninety thousand Belgian Francs.

Article 7

a) Le capital est formé de parts nominatives de deux cents francs belges chacune.

b) A la date de la création de la société, le capital s'élevait à la somme de cent quatre-vingt-dix mille francs belges et a été souscrit comme suit:

Par la société "Det Norske Luftfartselskap A/S", cinquante parts sociales	50
Par la société "A.B. Aérotransport", cinquante parts sociales	50
Par la société "Det Danske Luftfartselskab A/S", cinquante parts sociales	50
Par la société "British European Airways Corporation", quatre vingt-dix parts sociales	90
Par la société "British Overseas Airways Corporation", quarante-cinq parts sociales	45
Par la société "British South American Airways Corporation", quinze parts sociales	15
Par la société "Koninklijke Luchtvaart Maatschappij, N.V.", cent cinquante parts sociales	150
Par la société "Swissair, Société Anonyme Suisse pour la Navigation Aérienne", cinquante parts sociales	50
Par la société "Transcontinental and Western Air Inc.", cent cinquante parts sociales	150
Par la société "Compagnie Nationale Air France", cent cinquante parts sociales	150
Et par la "Société Anonyme Belge d'Exploitation de la Navigation Aérienne, S.A.B.E.N.A.", cent cinquante parts sociales	150
Au total: neuf cent cinquante parts de deux cents francs	950

correspondant au capital souscrit de cent quatre-vingt-dix mille francs.

c) Les versements à effectuer sur les parts seront déterminés par le conseil d'administration qui en fixera l'époque et le montant.

d) Les conditions d'émission et de souscription de parts nouvelles seront décidées par l'assemblée générale.

Article 7

a) The capital is divided into nominal shares of two hundred Belgian Francs each.

b) When the Society was created, the capital amounted to one hundred and ninety thousand Belgian Francs and has been suscribed as follows:

By the Company "Det Norske Luftfartselskap A/S", fifty shares	50
By the Company "A.B. Aerotransport", fifty shares	50
By the Company "Det Danske Luftfartselskab A/S", fifty shares	50
By the Company "British European Airways Corporation", ninety shares	90
By the Company "British Overseas Airways Corporation", forty-five shares	45
By the Company "British South American Airways Corporation", fifteen shares	15
By the Company "Koninklijke Luchtvaart Maatschappij, N.V." one hundred & fifty shares	150
By the Company "Swissair, Société Anonyme Suisse pour la Navigation Aérienne", fifty shares	50
By the Company "Transcontinental and Western Air Inc", one hundred & fifty shares	150
By the Company "Compagnie Nationale Air France", one hundred & fifty shares	150
And by the "Société Anonyme Belge d'Exploitation de la Navigation Aérienne, S.A.B.E.N.A.", one hundred & fifty shares	150
The total: nine hundred & fifty shares at two hundred Francs each	950

corresponding to the subscribed capital of one hundred and ninety thousand Francs.

c) The amounts to be called up on the shares will be determined by the Board of Directors which will fix the time and the sum.

d) The conditions of issue and subscription for new shares will be decided by the General Assembly.

ADMISSION D'ASSOCIES ET SOUSCRIPTION DES PARTS

Article 8

a) Toute compagnie assurant le transport aérien de passagers, poste ou fret, peut demander son admission à la SITA.

b) Les demandes d'admission sont adressées par écrit au directeur général qui les soumet au conseil d'administration. Ce dernier peut accepter ou rejeter toute demande d'admission sans être tenu, en cas de rejet, d'en faire connaître le motif. Les décisions du conseil d'administration sont prises à la majorité des deux tiers des membres présents ayant pris part au vote.

c) Toute compagnie dont l'admission a été acceptée par le conseil d'administration n'acquiert la qualité d'associé et n'est habilitée à bénéficier des services de la SITA qu'après signature d'un contrat de service avec la SITA et accomplissement de toutes autres formalités requises dans les délais prescrits par le conseil d'administration.

d) Toute compagnie dont la demande d'admission est acceptée par le conseil d'administration et qui a accompli les formalités prescrites au paragraphe c) ci-dessus se voit attribuer une part sociale.

e) Chaque associé se verra attribuer, lors de la redistribution des parts dans l'année suivant celle de son admission, un nombre de parts déterminé conformément à l'article onze ci-après.

TITRE NOMINATIF

Article 9

Les parts de chaque associé sont représentées par un titre nominatif qui lui sera remis. Ce titre porte le texte des statuts, la dénomination de la société, les noms, les prénoms, profession et domicile des mandataires de l'associé et la date de son admission, le tout signé par le directeur général et par le titulaire.

Les versements et retraits de fonds seront constatés par ordre de date sur le titre même.

ADMISSION TO MEMBERSHIP AND SUBSCRIPTION FOR SHARES

Article 8

a) Any company operating aircraft for the transport of passengers, mail or cargo can request admission to SITA.

b) All applications are made in writing to the Director General who submits them to the Board of Directors. The Board may accept or reject any application, without, in the event of the latter, making known the reason for the rejection. The decisions of the Board are taken by a majority of two thirds of the members present and voting.

c) All airlines whose applications have been accepted by the Board of Directors only acquire membership and are entitled to benefit from the services of SITA, after having signed a service agreement with SITA and fulfilled every formality required within a period of time prescribed by the Board of Directors.

d) All airlines whose applications have been accepted by the Board of Directors and which have fulfilled every formality mentioned in paragraph c) above will be allocated one share.

e) Each member will be alloted at the redistribution of shares following their first year of membership, a number of shares determined in accordance with the provisions of article eleven hereafter.

REGISTERED CERTIFICATES

Article 9

The shares of each member are represented by a registered certificate in its possession. This certificate bears the text of the Articles of Association, the title of the Society, the first name and surname, profession and domicile of the mandatories of the member and the date of admission, the whole signed by the Director General and the member.

Payments and withdrawals of monies will be recorded in chronological order on this same certificate.

RETARDS

Article 10

L'associé qui, après un préavis de quatre-vingt-dix jours, signifié par lettre recommandée, sera en retard d'effectuer un versement sur ses parts, devra à la société des intérêts calculés à un taux défini périodiquement par le conseil d'administration avec effet à dater du jour de l'exigibilité du versement.

Le conseil d'administration pourra, en outre, après un second avis resté sans résultat pendant soixante jours, prononcer la déchéance de l'associé et sans préjudice au droit de lui réclamer le restant dû et des dommages-intérêts éventuels, offrir ses parts aux associés qui désireraient les acquérir ; et ce dans les conditions prévues aux présents statuts.

PARTICIPATION

Article 11

L'importance de la participation d'un associé au capital de la Société, dans le cas d'un associé assurant des transports aériens internationaux ou nationaux réguliers, sera proportionnelle à sa participation aux dépenses partagées relatives aux services fournis par la SITA, telles qu'elles apparaissent dans les comptes annuels.

Cependant, tout associé n'exploitant pas ou ayant cessé d'exploiter des transports aériens internationaux ou nationaux réguliers ne pourra recevoir qu'une part sociale. Si la nature du transport entrepris par un associé était, à quelque moment que ce soit, modifiée après son admission, le conseil d'administration aura tous pouvoirs pour décider du nombre de parts que cet associé pourra détenir.

La répartition du capital de la société sera faite le mois suivant l'assemblée générale annuelle sur la base des comptes de l'année précédente.

Une comptabilité sera tenue par la SITA en vue de déterminer la participation proportionnelle de chaque associé dans les dépenses partagées relatives aux services de la SITA.

ARREARS

Article 10

Any member which, after due notice of ninety days, given by registered post, is late in making the payment on its shares, will owe to the Society interests at a rate defined from time to time by the Board of Directors with effect from the date on which payment was due.

The Board of Directors may in addition, after a second notice has remained unanswered for a period of sixty days, decide to exclude the member, and without prejudice to SITA's right to claim from that member the sum still owing and damages where applicable, offer its shares to those members wishing to take them up within the conditions set out in the present Articles.

PARTICIPATION

Article 11

The size of the participation of any member of SITA in the capital of the Society, in the case of a member operating scheduled international or domestic air services, will be proportional to its participation in the shared expenses attributable to the services supplied by SITA as they appear in the annual accounts.

However, any member not operating or ceasing to operate scheduled international or domestic air services, shall be entitled to only one share. Should the nature of the services undertaken by a member be modified at any time following its admission, the Board of Directors will have full power to decide as to the number of shares such member is entitled to hold.

The distribution of the capital of the Society will be made each year within one month of the Annual General Assembly, taking into account the figures for the preceding year.

Accounts will be kept by SITA with the object of determining the proportional participation of each member in the shared expenses for services supplied by SITA.

REPARTITION ET LIMITATION

Article 12

Les associés s'engagent à céder ou à acquérir le nombre de parts résultant de la répartition annuelle des parts dans les conditions déterminées par le conseil d'administration. Toutefois, aucun associé ne peut posséder ni être amené à posséder moins d'une part.

L'ensemble des associés d'une même nationalité ou appartenant à un même groupe financier ne pourra posséder plus de vingt pour cent du capital social. Les associés de même nationalité ou appartenant à un même groupe financier doivent proposer la répartition entre eux des parts constituant les vingt pour cent du capital social, à elles distribuées.

AUTRES TRANSFERTS

Article 13

En dehors des cas prévus ci-avant, les parts ne peuvent être transférées qu'après autorisation du conseil d'administration réunissant au moins trois quarts des administrateurs, et pour autant que la décision soit prise à l'unanimité des présents.

La demande devra être faite par écrit et adressée au conseil par l'associé qui désire effectuer le transfert. Le conseil d'administration, en autorisant le transfert, désignera le ou les associés à qui les parts pourront être transférées.

VALEUR DES PARTS SOCIALES

Article 14

La valeur des parts sociales, telle qu'elle résulte du dernier bilan annuel, servira de base au règlement des transferts entre associés et à la détermination de la valeur de souscription des parts par de nouveaux membres de la société.

Toutefois, la valeur de souscription de nouvelles parts ne pourra être inférieure à la valeur nominale indiquée aux présents statuts.

DISTRIBUTION AND LIMITATION

Article 12

The members undertake to give up or acquire the number of shares resulting from the yearly distribution of shares, according to the conditions laid down by the Board of Directors. However, no member may possess or be led to possess less than one share.

Members of the same nationality or belonging to the same financial group may not together hold more than twenty percent of the share capital of the Society. Members of the same nationality or of the same financial group will be responsible amongst themselves for the division of the shares constituting twenty percent of the share capital of the Society, which have been allocated to them.

OTHER TRANSFERS

Article 13

Otherwise than in the cases mentioned above, shares may only be transferred with the authority of the Board of Directors at a meeting in which at least three-quarters of the Directors are present, and in which the vote is unanimous.

The request must be made in writing and addressed to the Board by the member which wishes to effect the transfer. The Board of Directors in authorising the transfer, will designate the member or members to which the shares may be transferred.

VALUE OF SHARES

Article 14

The value of the Society's shares arrived at in the last balance sheet, will serve as a basis for the settlement of transfers among the members and in the establishment of the subscription value of the shares for new members of the Society.

However, the subscription value of new shares may not be less than the nominal value as indicated in the present Articles.

EXECUTION DES TRANSFERTS

Article 15

Chaque compagnie associée sera tenue d'apporter son concours au transfert des parts lui appartenant lorsqu'une nouvelle répartition le rendra nécessaire.

A défaut par l'associé de se conformer aux dispositions des présents statuts fixant les conditions de transfert, deux mois après qu'une mise en demeure lui aura été adressée par lettre recommandée, le conseil aura tous pouvoirs d'effectuer les formalités nécessaires aux transferts sur les registres de la société, sans le concours de la compagnie défaillante.

EXECUTION OF TRANSFERS

Article 15

Each member company must give its consent to the transfer of shares belonging to it, when a new distribution renders it necessary.

In the event of the member failing to comply with the present Articles which fix the conditions for transfers, within two months of a summons made by registered post, the Board will have every power to carry out the formalities necessary to the transfer on the register of the Society, without the consent of the defaulting company.

TITRE III - RETRAIT DES ASSOCIES

PERTE DE LA QUALITE D'ASSOCIE

Article 16

La qualité d'associé se perd:

a) Au cas où un associé cesse de remplir l'une des conditions prévues aux présents statuts pour son admission ou son maintien comme associé.

b) En cas de démission ou d'exclusion.

c) Au cas où un associé cesse ses activités, est déclaré en faillite, sollicite un concordat, est mis en liquidation, fait l'objet d'une mesure de dissolution anticipée ou se trouve d'une quelconque manière en état de cessation de paiement.

ABSENCE DES CONDITIONS REQUISES

Article 17

Si un associé cesse de remplir les conditions prévues pour être membre de la société, il sera tenu de mettre dans les deux mois ses parts à la disposition de la société ou des associés désignés par le conseil et ne pourra s'opposer à leur transfert.

DEMISSION

Article 18

Tout associé qui veut cesser de faire partie de la société doit en donner avis par écrit au conseil d'administration dans les six premiers mois de l'année sociale. Cette démission ne devient effective qu'à la fin de l'année sociale au cours de laquelle elle a été notifiée, sauf décision contraire de l'assemblée générale.

CHAPTER III - WITHDRAWAL OF MEMBERS

LOSS OF MEMBERSHIP

Article 16

Membership is lost:

a) In the event of a member ceasing to fulfil any one of the conditions laid down in the present Articles for its admission to or continuance of membership.

b) In the event of its resignation or expulsion.

c) In the event a member ceases its activities, goes bankrupt or seeks a composition with its creditors, is put into liquidation or anticipated dissolution or otherwise is unable to meet its debts.

ABSENCE OF THE REQUIRED CONDITIONS

Article 17

If a member ceases to fulfil the conditions laid down for membership in the Society, it must within two months place its shares at the disposal of the Society or of those members designated by the Board and it may not oppose their transfer.

RESIGNATION

Article 18

Any member wishing to resign from the Society must give notice of this in writing to the Board of Directors within the first six months of the Society's financial year. This resignation becomes effective only at the end of the Society's financial year during which notification of resignation was given, unless there is a decision of the General Assembly to the contrary.

EXCLUSION

Article 19

Un associé pourra être exclu de la société pour inobservation des statuts ou des règlements établis pour leur exécution et de ses engagements envers la société ; après invitation par lettre recommandée de mettre fin aux manquements, et après un délai d'un mois expiré sans que satisfaction ait été donnée, le conseil d'administration pourra prononcer la suspension de l'associé en attendant la réunion de la prochaine assemblée générale.

L'exclusion est prononcée par l'assemblée générale et doit réunir les deux tiers des voix présentes ou représentées.

Le procès-verbal constate que l'exclusion a été prononcée conformément aux statuts de la société. Il est transcrit sur le registre des membres de la société et copie conforme en est adressée à l'associé exclu, dans les deux jours, par lettre recommandée.

CONSEQUENCES

Article 20

En cas de perte de la qualité d'associé, la part de cet ancien associé sera réglée d'après le bilan de l'année sociale durant laquelle il aura perdu sa qualité d'associé, aura donné sa démission ou aura été exclu.

Il ne sera toutefois pas tenu compte des réserves légales ou conventionnelles, sur lesquelles l'associé ne pourra prétendre à aucun droit.

Article 21

Les remboursements prévus à l'article précédent n'auront lieu que trois mois après l'approbation du bilan.

Article 22

Les créanciers et ayants droit d'un associé n'auront jamais de droit à faire valoir que sur la valeur des parts de l'associé, ainsi qu'elle est définie à l'article vingt.

Article 23

Les anciens associés et leurs créanciers ne peuvent provoquer la liquidation de la société ni faire apposer les scellés ou requérir l'inventaire des biens sociaux.

EXPULSION

Article 19

A member may be expelled from the Society for the non-observance of the Articles or rules laid down for their fulfilment and of its undertakings towards the Society. After the member having been invited by registered letter to fulfil its obligations and after a delay of one month, without this having been done, the Board of Directors may suspend the member until the following meeting of the General Assembly.

The General Assembly will decide upon the member's expulsion, which must be approved by a two-thirds majority of members present or represented.

The report must state that the expulsion was proclaimed in conformity with the Articles of Association of the Society. It must be inserted in the register of members of the Society and a true copy must be forwarded to the expelled member within two days by registered post.

CONSEQUENCES

Article 20

In the event of loss of membership by a member, the share of this former member will be reckoned according to the balance sheet of the Society's financial year during which that member resigned or during which it was expelled.

No account, however, will be taken of any legal reserve funds or of any other reserves, on which the member will have no claim.

Article 21

The repayments mentioned in the preceding article will only take place three months after the approval of the balance sheet.

Article 22

Claims of the creditors and assignees of a member will be limited to the value of the latter's shares as laid down in article twenty.

Article 23

Former members and their creditors may not cause the Society to go into liquidation, cause the seals to be affixed or call for an inventory of the Society's property.

Article 24

Tout associé cessant de faire partie de la société reste personnellement tenu à l'égard des tiers, à concurrence de sa mise et pendant cinq ans, sauf dans le cas de prescription plus courte établie par la loi, de tous engagements contractés avant la fin de l'année sociale pendant laquelle son retrait a été publié.

Toutefois, l'associé aura dans ce cas un recours éventuel contre la société, pour les engagements contractés par celle-ci après sa sortie de la société

REGISTRE

Article 25

Il est tenu au siège social un registre contenant à la première page l'acte constitutif de la société et indiquant à la suite de cet acte :

1) La dénomination sociale, les nom, prénoms, profession des mandataires et le siège social de chaque associé.

2) La date de son admission, de sa démission ou de son exclusion.

3) Les comptes des sommes versées ou retirées par chacun d'eux. Ce livre sera coté, paraphé et visé conformément à la loi ; la mention des retraits est signée par l'associé qui les a effectués.

Article 26

Tout nouvel associé, par l'organe de son mandataire, doit apposer sa signature précédée de la date en regard de la dénomination sociale, sur le registre dont la tenue est prescrite à l'article précédent

Cette signature emporte adhésion aux statuts et exercice des droits d'associé à partir de l'accomplissement de cette formalité.

Article 24

Any member ceasing to belong to the Society is personally held liable towards third parties within the limits of the amount of its investment and for a period of five years, other than in the case of a shorter limitation by law, to all undertakings made before the end of the Society's financial year during which its resignation was made known

However, in this case, the member will have a claim, where relevant, against the Society for undertakings made by the latter after its departure from the Society

REGISTER

Article 25

A register will be kept at the Registered Office on the first page of which will appear the memorandum of the Society followed by:

1) The name of each member, the first and second names and profession of its representatives, and the address of its registered office.

2) The date of its admission, resignation or expulsion

3) The record of monies invested or withdrawn by each of them. This book will be kept in conformity with the law; entries of withdrawals must be signed by the member which effected them.

Article 26

Each new member by the medium of its representative must insert its signature, preceded by the date, opposite the name of the company in the register, which must be kept as prescribed in the preceding article.

This signature implies adherence to the Articles of Association and the exercise of members' rights from the time when this formality has been completed.

TITRE IV - ADMINISTRATION DE LA SOCIETE

CONSEIL D'ADMINISTRATION

Article 27

La société est administrée par un conseil d'administration composé de trois membres au moins et de vingt-cinq membres au plus, nommés par l'assemblée générale, suivant les dispositions prévues ci-après, et toujours révocables par elle.

Les administrateurs sont nommés pour un terme qui prend fin immédiatement après l'assemblée générale ordinaire suivant leur nomination. Leur mandat peut être renouvelé.

CHAPTER IV - MANAGEMENT OF THE SOCIETY

BOARD OF DIRECTORS

Article 27

The Society is administered by a Board of Directors composed of at least three members and not more than twenty-five appointed by the General Assembly as provided herein and which is entitled to dismiss any of them at any time.

The Directors are appointed for a term which ceases immediately after the Ordinary General Assembly following their nomination. Their mandate may be renewed.

Les administrateurs forment le collège

Chaque associé possédant au moins vingt parts peut proposer un administrateur, qui doit être un de ses agents. Le nombre d'administrateurs ainsi proposés est limité à dix-huit

Les associés peuvent également se grouper et proposer conjointement un administrateur, pourvu que le groupe ainsi constitué possède un minimum de cinquante parts. Cet administrateur doit être un agent d'un des associés du groupe. Le nombre d'administrateurs ainsi proposés est limité à sept

Les nominations par l'assemblée générale seront faites dans l'ordre suivant:

- Premièrement, les administrateurs proposés par les associés possédant vingt parts ou plus

Au cas où le nombre d'administrateurs ainsi proposés dépasserait le nombre de mandats à conférer, seuls seront nommés les administrateurs proposés par les associés fondateurs et ensuite, dans l'ordre d'importance des participations, les administrateurs proposés par les associés possédant le plus grand nombre de parts.

Au cas où plusieurs associés auraient le même nombre de parts, seront maintenues en qualité d'administrateurs, à concurrence des mandats à conférer, les personnes proposées par les associés compte tenu de l'ancienneté de l'affiliation de ces derniers à la société. Si plusieurs associés possèdent le même nombre de parts et ont la même ancienneté, le montant réel de leurs participations respectives sera un facteur déterminant.

- Deuxièmement, les administrateurs proposés par les associés formant ensemble un groupe possédant au moins cinquante parts.

Au cas où le nombre d'administrateurs ainsi proposés excéderait le nombre de sièges à pourvoir, seuls seront nommés les administrateurs proposés par les groupes ayant le plus large montant de participations.

En cas de vacance d'un ou plusieurs sièges d'administrateurs, les administrateurs restants ont le droit d'y pourvoir provisoirement sur proposition de l'associé ou du groupe d'associés ayant proposé l'administrateur défaillant. L'administrateur ainsi coopté achèvera le mandat de l'administrateur qu'il remplace. Les nominations provisoires effectuées par le conseil d'administration seront soumises à la ratification de la plus prochaine assemblée générale.

The directors form the college

Each member possessing at least twenty shares may propose a Director who must be one of its employees The number of Directors thus appointed is limited to eighteen

Members may also join together and propose a common Director, provided that the group thus formed possesses a minimum of fifty shares. This Director must be an employee of one of the members of the group. The number of Directors thus proposed is limited to seven

The nominations by the General Assembly will be made in the following order

- Firstly, the Directors proposed by the members possessing twenty shares or more.

In case the number of Directors thus proposed exceeds the number of seats available, only those Directors proposed by founder members will be appointed and after that, in the order of the extent of the members' participation, the Directors proposed by the members which possess the largest number of shares

In case several members hold the same number of shares, those nominations of Directors made by the members which have the greatest seniority of membership in the Society will become effective, within the limit of the available seats. If several members possessing the same number of shares have the same seniority, the actual amount of their respective participations will be a determining factor.

- Secondly, the Directors proposed by the members forming together a group possessing at least fifty shares.

In case the number of Directors thus proposed exceeds the number of seats available, only those Directors proposed by the groups having the largest amount of participations will be nominated.

In case of vacancy of the seat of one or more Directors, the remaining Directors are entitled to fill the vacant seat(s) provisionally following the proposal of the member or group of members which proposed the Director whose seat has become vacant. The Director so co-opted will complete the mandate of the Director he replaces. The provisional nominations made by the Board of Directors will be ratified by the next following General Assembly

DELEGATION

Article 28

Tout administrateur empêché d'assister à une réunion du conseil d'administration peut déléguer ses pouvoirs à un autre administrateur. Il peut également désigner un observateur pour assister à la réunion

Toutefois,

a) Le président doit être informé de toute délégation avant chaque réunion du conseil d'administration à laquelle l'administrateur délégant ne sera pas présent. Dans ces conditions, l'administrateur sera réputé présent et son délégué pourra voter à sa place.

b) Aucun administrateur ne peut déléguer ses pouvoirs pour plus de deux réunions consécutives

c) Aucun administrateur ne peut représenter plus d'un administrateur à une même réunion du conseil d'administration.

PRESIDENCE

Article 29

L'assemblée générale désignera un des membres du conseil d'administration comme président de celui-ci ainsi que deux autres membres en tant que vice-présidents. Les vice-présidents assisteront le président dans sa mission. Le président désignera un des vice-présidents pour le remplacer en cas d'empêchement.

RESPONSABILITE

Article 30

Les administrateurs ne contractent aucune obligation personnelle relativement aux engagements de la société. Ils ne sont responsables que de l'exécution de leur mandat, chacun en ce qui concerne sa personne et sans solidarité. Dans les huit jours de leur nomination, les administrateurs déposeront au greffe du tribunal de commerce un extrait de l'acte constatant leurs pouvoirs et portant leur signature.

DELEGATION

Article 28

Any Director unable to attend a Board meeting may delegate his powers to another Director He may also appoint an observer to attend such meeting.

However, in such case,

a) the Chairman must be informed of any such delegation before any meeting of the Board at which the Director will not be present. Under these conditions the Director will be deemed present and his delegate will be able to vote in his place.

b) No Director may delegate his powers for more than two consecutive meetings.

c) No Director may represent more than one other Director at any meeting of the Board of Directors

CHAIRMANSHIP

Article 29

The General Assembly will appoint one of the members of the Board of Directors as Chairman and two other members as Vice-Chairmen. The Vice-Chairmen will assist the Chairman in his mission. The Chairman will nominate one of the Vice-Chairmen to replace him in case he is unable to attend a meeting.

RESPONSIBILITY

Article 30

Directors contract no personal obligation with regard to the undertakings of the Society. They are only responsible for the execution of their mandate, each one personally and with no joint liability. Within a week of their appointment the Directors will place with the Registrar of Companies an extract of the memorandum laying down their powers and bearing their signature.

Les administrateurs forment le collège.

Chaque associé possédant au moins vingt parts peut proposer un administrateur, qui doit être un de ses agents. Le nombre d'administrateurs ainsi proposés est limité à dix-huit.

Les associés peuvent également se grouper et proposer conjointement un administrateur, pourvu que le groupe ainsi constitué possède un minimum de cinquante parts. Cet administrateur doit être un agent d'un des associés du groupe. Le nombre d'administrateurs ainsi proposés est limité à sept.

Les nominations par l'assemblée générale seront faites dans l'ordre suivant :

- Premièrement, les administrateurs proposés par les associés possédant vingt parts ou plus.

Au cas où le nombre d'administrateurs ainsi proposés dépasserait le nombre de mandats à conférer, seuls seront nommés les administrateurs proposés par les associés fondateurs et ensuite, dans l'ordre d'importance des participations, les administrateurs proposés par les associés possédant le plus grand nombre de parts.

Au cas où plusieurs associés auraient le même nombre de parts, seront maintenues en qualité d'administrateurs, à concurrence des mandats à conférer, les personnes proposées par les associés compte tenu de l'ancienneté de l'affiliation de ces derniers à la société. Si plusieurs associés possèdent le même nombre de parts et ont la même ancienneté, le montant réel de leurs participations respectives sera un facteur déterminant.

- Deuxièmement, les administrateurs proposés par les associés formant ensemble un groupe possédant au moins cinquante parts.

Au cas où le nombre d'administrateurs ainsi proposés excéderait le nombre de sièges à pourvoir, seuls seront nommés les administrateurs proposés par les groupes ayant le plus large montant de participations.

En cas de vacance d'un ou plusieurs sièges d'administrateurs, les administrateurs restants ont le droit d'y pourvoir provisoirement sur proposition de l'associé ou du groupe d'associés ayant proposé l'administrateur défaillant. L'administrateur ainsi coopté achèvera le mandat de l'administrateur qu'il remplace. Les nominations provisoires effectuées par le conseil d'administration seront soumises à la ratification de la plus prochaine assemblée générale.

The directors form the college.

Each member possessing at least twenty shares may propose a Director who must be one of its employees. The number of Directors thus appointed is limited to eighteen.

Members may also join together and propose a common Director, provided that the group thus formed possesses a minimum of fifty shares. This Director must be an employee of one of the members of the group The number of Directors thus proposed is limited to seven.

The nominations by the General Assembly will be made in the following order:

- Firstly, the Directors proposed by the members possessing twenty shares or more.

In case the number of Directors thus proposed exceeds the number of seats available, only those Directors proposed by founder members will be appointed and after that, in the order of the extent of the members' participation, the Directors proposed by the members which possess the largest number of shares.

In case several members hold the same number of shares, those nominations of Directors made by the members which have the greatest seniority of membership in the Society will become effective, within the limit of the available seats. If several members possessing the same number of shares have the same seniority, the actual amount of their respective participations will be a determining factor.

- Secondly, the Directors proposed by the members forming together a group possessing at least fifty shares.

In case the number of Directors thus proposed exceeds the number of seats available, only those Directors proposed by the groups having the largest amount of participations will be nominated.

In case of vacancy of the seat of one or more Directors, the remaining Directors are entitled to fill the vacant seat(s) provisionally following the proposal of the member or group of members which proposed the Director whose seat has become vacant. The Director so co-opted will complete the mandate of the Director he replaces. The provisional nominations made by the Board of Directors will be ratified by the next following General Assembly.

DELEGATION

Article 28

Tout administrateur empêché d'assister à une réunion du conseil d'administration peut déléguer ses pouvoirs à un autre administrateur. Il peut également désigner un observateur pour assister à la réunion.

Toutefois,

a) Le président doit être informé de toute délégation avant chaque réunion du conseil d'administration à laquelle l'administrateur délégant ne sera pas présent Dans ces conditions, l'administrateur sera réputé présent et son délégué pourra voter à sa place.

b) Aucun administrateur ne peut déléguer ses pouvoirs pour plus de deux réunions consécutives.

c) Aucun administrateur ne peut représenter plus d'un administrateur à une même réunion du conseil d'administration.

PRESIDENCE

Article 29

L'assemblée générale désignera un des membres du conseil d'administration comme président de celui-ci ainsi que deux autres membres en tant que vice-présidents. Les vice-présidents assisteront le président dans sa mission. Le président désignera un des vice-présidents pour le remplacer en cas d'empêchement.

RESPONSABILITE

Article 30

Les administrateurs ne contractent aucune obligation personnelle relativement aux engagements de la société. Ils ne sont responsables que de l'exécution de leur mandat, chacun en ce qui concerne sa personne et sans solidarité. Dans les huit jours de leur nomination, les administrateurs déposeront au greffe du tribunal de commerce un extrait de l'acte constatant leurs pouvoirs et portant leur signature.

DELEGATION

Article 28

Any Director unable to attend a Board meeting may delegate his powers to another Director. He may also appoint an observer to attend such meeting

However, in such case,

a) the Chairman must be informed of any such delegation before any meeting of the Board at which the Director will not be present. Under these conditions the Director will be deemed present and his delegate will be able to vote in his place.

b) No Director may delegate his powers for more than two consecutive meetings.

c) No Director may represent more than one other Director at any meeting of the Board of Directors.

CHAIRMANSHIP

Article 29

The General Assembly will appoint one of the members of the Board of Directors as Chairman and two other members as Vice-Chairmen. The Vice-Chairmen will assist the Chairman in his mission. The Chairman will nominate one of the Vice-Chairmen to replace him in case he is unable to attend a meeting.

RESPONSIBILITY

Article 30

Directors contract no personal obligation with regard to the undertakings of the Society. They are only responsible for the execution of their mandate, each one personally and with no joint liability. Within a week of their appointment the Directors will place with the Registrar of Companies an extract of the memorandum laying down their powers and bearing their signature.

POUVOIRS

Article 31

Le conseil d'administration a les pouvoirs les plus étendus pour l'administration et la gestion des affaires sociales. Il peut, notamment, contracter tous emprunts nécessaires à la bonne marche de la société, faire et passer tous contrats, marchés et entreprises ; acquérir et aliéner, prendre et donner à bail tous biens meubles et immeubles nécessaires à la réalisation de l'objet social ; effectuer et recevoir tous paiements, en exiger ou fournir quittance ; définir les diverses catégories d'activités de la société ; nommer ou révoquer tous directeurs, gérants, agents et employés, fixer leurs attributions, leur traitement et, s'il y a lieu, leur cautionnement ; plaider devant toutes juridictions, tant en demandant qu'en défendant, obtenir toutes décisions, sentences, jugements ou arrêts et les exécuter, traiter ou acquiescer, se désister, transiger ou compromettre sur tous intérêts sociaux.

L'énumération qui précède est simplement énonciative et non limitative.

Toutes actions judiciaires seront suivies, tant en demandant qu'en défendant, au nom de la société, par le conseil d'administration, poursuites et diligences du président du conseil ou de deux administrateurs. Le conseil d'administration pourra déléguer ses pouvoirs en tout ou partie, à un ou plusieurs de ses membres ou à des tiers.

GESTION DE LA SOCIETE

Article 32

Le conseil d'administration nommera un directeur général qui sera responsable de la mise en œuvre des décisions prises par le conseil d'administration et sera chargé de la gestion journalière de la société, dans les limites des budgets et engagements financiers approuvés par le conseil d'administration.

Le directeur général sera assisté dans ses fonctions par un personnel de direction recruté conformément aux plans de personnel approuvés par le conseil d'administration.

Le directeur général assistera, de droit, à toutes les réunions du conseil d'administration, à l'exception de celles ayant pour objet la discussion de sa situation personnelle.

POWERS

Article 31

The Board of Directors has the widest powers for the administration and management of the affairs of the Society; it may in particular raise loans necessary to meet the requirements of the Society, make and pass all contracts, sales and ventures; acquire and transfer, lease to or from, all property movable and fixed necessary for the realisation of the object of the Society; effect and receive all payments; request or supply receipts in respect of these; define the various categories of activities of the Society; appoint and reject all managers, supervisors, agents and employees, lay down their duties, remuneration, their security where applicable; litigate in any court of law, in prosecution or in defence, obtain all decisions, sentences, judgments or awards and enforce, negotiate or comply with them, waive them, come to terms or compromise on all the interests of the Society.

The foregoing enumeration is purely expressive and not limiting.

All legal action, in prosecution, or in defence, will be taken in the name of the Society by the Board of Directors or, if the urgency of the action so requires, by the Chairman of the Board or two Directors. The Board of Directors may delegate its powers in whole or in part to one or several of its members or third parties.

MANAGEMENT OF THE SOCIETY

Article 32

The Board will appoint a Director General who will be responsible for the implementation of the decisions of the Board and who will conduct the day-to-day business of the company within the limits of the budgets and financial commitments approved by the Board of Directors.

He will be assisted in conducting such business by personnel appointed in accordance with the staff schedule approved by the Board of Directors.

The Director General shall be entitled ex-officio to attend all meetings of the Board of Directors with the exception of those at which his personal case is discussed.

REUNIONS

Article 33

Le conseil d'administration se réunit au moins quatre fois par an ou, sur décision du président agissant à la demande d'un administrateur, chaque fois que les besoins de la société l'exigent, sur convocation adressée à chaque administrateur par lettre, télex, télégramme ou message, au moins quinze jours avant la date fixée pour la réunion.

MAJORITE

Article 34

Le conseil d'administration ne peut délibérer et statuer valablement que si la moitié au moins de ses membres en fonction est présente ou représentée.

Les décisions sont prises à la majorité des membres présents, sauf disposition contraire des présents statuts. En cas de partage des voix, la voix du président ou du vice-président qui le remplace est prépondérante.

PROCES-VERBAUX

Article 35

Les délibérations du conseil d'administration sont constatées par des procès-verbaux signés par le président du conseil ou en son absence par le vice-président qui le remplace, après que ceux-ci auront été approuvés par le conseil d'administration. Ces procès-verbaux sont insérés dans un registre spécial. Les délégations y sont annexées.

Les expéditions et extraits à délivrer aux tiers seront signés par le président du conseil d'administration ou par le directeur général.

Le président du conseil d'administration ou le directeur général, dans les quatre-vingt-dix jours qui suivront chaque réunion, adressera à chacun des administrateurs le procès-verbal qui aura été établi.

SURVEILLANCE

Article 36

Les opérations de la société sont surveillées par un ou plusieurs commissaires, experts comptables, nommés pour un an par l'assemblée générale et toujours révocables par elle. Ils sont rééligibles. L'ensemble des commissaires forme le comité de surveillance.

MEETINGS

Article 33

The Board of Directors will meet at least four times a year, or on decision of the Chairman at the request of a Director, each time the needs of the Society require it, on a summons sent to each Director by letter, telex, telegram or message at least fifteen days before the date fixed for the meeting.

MAJORITY

Article 34

The Board of Directors may properly deliberate and make decisions only if at least half of its members in office are present or represented.

Resolutions are carried by the majority of the members present except for any provision in the present Articles to the contrary. In the event of an equal division of votes, the Chairman or the Vice-Chairman who replaces him will cast the deciding vote.

MINUTES

Article 35

The discussions of the Board of Directors are recorded in minutes signed by the Chairman of the Board or in his absence by the Vice-Chairman who replaces him, following their approval by the Board of Directors. The minutes will be written in a special register. Any delegation of powers will be inserted.

Copies of and extracts from the minutes to be delivered to third parties will be signed by the Chairman of the Board of Directors or by the Director General.

The Chairman of the Board of Directors or the Director General will send copies of the minutes to each Director within ninety days of each meeting.

SUPERVISION

Article 36

The activities of the Society are supervised by one or more Auditors, chartered accountants, appointed annually by the General Assembly. These Auditors may be dismissed by the General Assembly. They are re-eligible. All the Auditors form the Auditing Body.

Article 37

Les commissaires ont un droit illimité de surveillance sur toutes les opérations de la société. Ils peuvent prendre connaissance, sans déplacements, de la correspondance, des procès-verbaux et généralement de toutes les écritures de la société.

TITRE V - ASSEMBLEES GENERALES, RESULTATS SOCIAUX

ANNEE SOCIALE

Article 38

L'année sociale commence le premier janvier et finit le trente et un décembre.

ASSEMBLEES GENERALES

Article 39

L'assemblée générale se réunit chaque année à Bruxelles ou en tout autre lieu, même en dehors de la Belgique. La date et le lieu de l'assemblée seront fixés par le conseil d'administration.

En outre le conseil d'administration est tenu de convoquer une assemblée extraordinaire chaque fois que l'intérêt de la société l'exige. Il doit la convoquer sur demande écrite d'associés justifiant de la possession du tiers du nombre total des parts.

Une assemblée générale extraordinaire pourra être convoquée par les commissaires lorsque ceux-ci estiment que l'intérêt de la société nécessite pareille mesure.

VOTE

Article 40

Tous les associés sont membres de l'assemblée et ont droit à autant de voix qu'ils possèdent de parts.

CONVOCATION

Article 41

Les convocations aux assemblées générales se feront vingt-cinq jours d'avance, par lettre, télex, télégramme ou message. Elles contiendront l'ordre du jour.

Article 37

The Auditors' right of supervision of all the activities of the Society is unlimited. The Auditors can inspect at their premises all books, correspondence, minutes and generally all records of the Society.

CHAPTER V - GENERAL ASSEMBLIES, ACCOUNTS

FINANCIAL YEAR

Article 38

The financial year of the Society will commence on the first of January and will terminate on the thirty-first of December.

GENERAL ASSEMBLIES

Article 39

The General Assembly will meet annually in Brussels or in any other place which may be outside of Belgium. The time and place of the Assembly will be decided on by the Board of Directors.

In addition, the Board of Directors is charged with calling an extraordinary meeting of the General Assembly each time the interest of the Society requires it. It must call such a meeting at the written request of members representing one third of the total number of shares.

An extraordinary meeting of the General Assembly will be called by the Auditors whenever they consider that the interest of the Society requires such a measure.

VOTE

Article 40

All members are members of the General Assembly and have the right to as many votes as they hold shares.

NOTIFICATIONS

Article 41

Notification of a meeting of the General Assembly will be given twenty-five days in advance by letter, telex, telegram or message. It will include the agenda of the meeting.

POUVOIRS

Article 42

L'assemblée a les pouvoirs les plus étendus pour faire ou ratifier les actes qui intéressent la société. Elle a le droit d'apporter des modifications aux statuts, mais sans changer l'objet essentiel de la société. Les décisions sont obligatoires pour tous, même pour les associés absents ou dissidents.

MAJORITE

Article 43

L'assemblée générale est valablement constituée quel que soit le nombre de parts représentées.

Les résolutions sont prises à la majorité des voix présentes ou représentées, sauf dispositions contraires dans les présents statuts.

Article 44

Toutefois, lorsque l'assemblée générale aura à délibérer sur la fusion de la société avec une autre, la dissolution anticipée de la société, la prorogation ou toutes autres modifications aux statuts, elle ne pourra valablement délibérer que si les objets des modifications proposées ont été spécialement indiqués dans les convocations et si les associés, constituant l'assemblée, représentent, au moins, les trois quarts du capital souscrit. Si cette dernière condition n'est pas remplie, une nouvelle convocation sera nécessaire et la nouvelle assemblée délibérera valablement, quel que soit le nombre de parts représentées.

Dans l'un et dans l'autre cas, les décisions ne seront prises valablement que si elles réunissent les trois quarts des voix.

BUREAU

Article 45

L'assemblée générale des associés est présidée par le président du conseil d'administration ou le vice-président qui le remplace, assisté du ou des administrateurs présents et de deux scrutateurs nommés par l'assemblée. Les procès-verbaux des assemblées générales seront signés par les membres du bureau et par ceux des associés qui en feront la demande.

Les expéditions et extraits à délivrer aux tiers seront signés par le président du conseil d'administration ou par le directeur général.

POWERS

Article 42

The General Assembly has the widest power to make or ratify any action which is of interest to the Society. It may amend the Articles of Association when necessary but without changing the main object of the Society. Its decisions are binding on everyone even on those members absent or dissenting.

MAJORITY

Article 43

The assembly is properly constituted whatever may be the number of shares represented.

Resolutions are taken by a majority vote of those present or represented, except for any provision in the present Articles to the contrary.

Article 44

However, should the General Assembly have to discuss the fusion of the Society with another Society, the anticipated dissolution of the Society, the prolongation or any other amendment of the Articles of Association, it may not properly deliberate unless the subjects of the proposed amendments have been especially indicated in the summonses and unless the members of the Society constituting the General Assembly represent at least three-quarters of the subscribed capital. If this last condition is not fulfilled, a new summons will be necessary and the new assembly will be considered valid whatever the number of shares represented.

In both cases the resolutions will validly be carried only if three-quarters of the vote have been cast in their support.

OFFICERS

Article 45

The General Assembly of members is presided over by the Chairman of the Board of Directors or by the Vice-Chairman who replaces him, assisted by the Director or Directors present and by two tellers nominated by the Assembly. The minutes of General Assemblies will be signed by the Officers and those members of the Society who wish to do so.

Copies and extracts for delivery to third parties will be signed by the Chairman of the Board of Directors or by the Director General.

COMPTES ANNUELS

Article 46

Lors de l'assemblée générale ordinaire prévue à l'article trente-neuf des présents statuts, les comptes annuels, les rapports du conseil d'administration et du comité de surveillance seront soumis à l'assemblée. Ces divers documents seront mis à la disposition des associés vingt et un jours francs avant l'assemblée.

Article 47

Il est dressé chaque année par les soins du conseil d'administration, au trente et un décembre, un inventaire des valeurs mobilières et de toutes les dettes actives et passives de la société, avec une annexe contenant en résumé tous ses engagements, ainsi que les dettes des directeurs, administrateurs et commissaires envers la société.

A la même époque, les écritures sont arrêtées et le conseil d'administration arrête les comptes annuels dans lesquels les amortissements nécessaires seront faits.

Le conseil d'administration remettra les pièces avec son rapport sur les opérations de la société, un mois au moins avant l'assemblée générale ordinaire, aux commissaires qui feront rapport contenant leurs propositions.

APPROBATION ET DECHARGES

Article 48

L'assemblée générale ordinaire statue sur l'adoption des comptes annuels.

Elle se prononce, après l'approbation des comptes annuels, par un vote spécial, sur la décharge à donner aux administrateurs et commissaires.

DEPOTS

Article 49

Dans les trente jours de leur approbation par l'assemblée générale, les comptes annuels seront déposés au greffe du tribunal de commerce du siège de la société.

ANNUAL ACCOUNTS

Article 46

During the Ordinary General Assembly as provided for in article thirty-nine of the present Articles, the annual accounts and the reports of the Board of Directors and of the Auditing Body will be placed before the Assembly. These various documents will be at the disposal of members twenty-one days clear before the meeting.

Article 47

The Board of Directors will ensure that each year on the thirty-first of December an inventory is drawn up of all transferable securities and of the assets and liabilities of the Society, with an appendix giving in shortened form all the undertakings of the Society as well as the debts owed by Managers, Directors and Auditors to the Society.

At the same time, the books and accounts will be closed and the Board of Directors will draw up the annual accounts in which the necessary depreciation will be taken into account.

The Board will include these documents with its report on the activities of the Society and will hand it, at least one month prior to the General Assembly, to the Auditors who will make a report together with their proposals.

APPROVAL AND RELEASE

Article 48

The Ordinary General Assembly decides on the adoption of the annual accounts.

After approval of the annual accounts, it gives release by a special vote, to the Directors and Auditors.

REGISTRATION

Article 49

Within thirty days after approval of the annual accounts by the General Assembly, they will be deposited with the Registrar at the Tribunal de Commerce of the Society's registered office.

UTILISATION DE L'EXCEDENT FAVORABLE

Article 50

Sur l'excédent favorable du bilan, déduction faite de toutes les charges, frais généraux et amortissements nécessaires, il sera prélevé annuellement au minimum cinq pour cent, affectés à la formation d'un fonds de réserve. Lorsque ce fonds aura atteint le dixième du capital social, ce prélèvement cessera d'être obligatoire.

L'assemblée générale décidera de l'affectation du surplus, qui pourra servir à la dotation d'un fonds de réserve extraordinaire, d'un fonds de prévision, d'un fonds d'amortissement ou d'un report à nouveau.

DISPOSAL OF FAVORABLE SURPLUS

Article 50

On any favorable surplus on the balance sheet, after deduction of all amounts due, general expenses and necessary depreciations, a minimum of five percent per annum will be allocated to the formation of a reserve fund. When this fund has reached one-tenth of the capital of the Society, this allotment will cease to be obligatory.

The General Assembly will decide on the use of the surplus which may be allotted to an extraordinary reserve fund, an emergency fund, a fund for amortization, or a balance carried forward.

TITRE VI - DISSOLUTION, DISPOSITIONS GENERALES

DISSOLUTION

Article 51

La société peut être dissoute en tout temps par décision de l'assemblée générale des associés, prise conformément à l'article quarante-quatre.

La dissolution doit être prononcée à la demande de tout intéressé, lorsque le nombre des associés est réduit à moins de sept et dès que le capital souscrit est inférieur au minimum prévu par les statuts.

Article 52

En cas de dissolution, pour quelque cause que ce soit, l'assemblée générale des sociétaires désignera le ou les liquidateurs, déterminera leurs pouvoirs et leurs émoluments et fixera le mode de liquidation. Elle aura à cet effet les droits les plus étendus.

Après le paiement de toutes les dettes et charges de la société, le solde de la liquidation servira d'abord à rembourser aux associés les sommes versées par eux.

Le surplus sera réparti parmi les compagnies associées à la date de la liquidation, au prorata du total cumulé de leur participation aux amortissements des immobilisations appartenant en propre à la société. Ce total cumulé sera calculé en prenant en considération les amortissements réalisés par la société, année par année, depuis sa fondation.

CHAPTER VI - LIQUIDATION, GENERAL PROVISIONS

LIQUIDATION

Article 51

The Society may go into liquidation at any time by decision of the General Assembly of members, taken in conformity with article fourty-four.

The liquidation must be decided at the request of any party concerned when the number of members is reduced to less than seven and when the subscribed capital is less than the minimum fixed by the present Articles.

Article 52

In the event of liquidation for any reason whatsoever, the General Assembly of members will appoint Liquidators, will decide on their powers and their emoluments and will fix the method of liquidation. In effecting this, it will have the widest powers.

After settlement of all debts and charges owed by the Society the balance after liquidation will first be used to reimburse members for the sums invested by them.

The surplus will be divided among the then existing members of the Society in proportion to the aggregate total of their participation in the depreciation of the assets of SITA. This aggregate total will be computed by taking into account the depreciation of the assets of the Society year by year, since its foundation.

ELECTION DE DOMICILE

Article 53

Tout associé domicilié à l'étranger sera tenu d'élire domicile en Belgique pour tout ce qui se rattache à l'exécution des présents statuts.

A défaut d'élection de domicile, celui-ci sera sensé être élu de plein droit au siège social, où toutes les notifications, significations, sommations et assignations seront valablement faites.

Tout administrateur, commissaire, liquidateur domicilié à l'étranger est sensé, pendant la durée de ses fonctions, élire domicile au siège de la société, où toutes les notifications, significations, sommations et assignations seront valablement faites relativement aux affaires de la société et à la responsabilité de leur gestion et contrôle.

LISTE DES ASSOCIES

Article 54

Le conseil d'administration fera déposer au greffe du tribunal de commerce, tous les six mois, une liste indiquant, par ordre alphabétique, les noms, prénoms, profession et domicile de tous les associés, certifiée véritable par les signataires, qui seront responsables de toutes les fausses énonciations dans lesdites listes.

ELECTION OF DOMICILE

Article 53

Any member domiciled abroad must elect domicile in Belgium for every purpose connected with the fulfilment of the present Articles.

In the event of non-election of domicile, this will be deemed lawfully to have been elected at the Registered Office of the Society where all legal notices, summonses and orders will lawfully be made.

Any Director, Auditor or Liquidator domiciled abroad is deemed, during the period of his duties, to have elected domicile at the Registered Office of the Society, where all legal notices, summonses and orders connected with the affairs of the Society and with the liability for its administration and supervision, will lawfully be made.

LIST OF MEMBERS

Article 54

The Board of Directors will place with the Registrar of Societies every six months a list giving in alphabetical order the first and second names, the profession and domicile of all members, certified correct by the signatories who will be responsible for any false statement in the said lists.

Note: Translated from the French text which is the legally valid document.

INMARSAT

ANNEX 3

MEMBER COUNTRIES, SIGNATORIES AND INVESTMENT SHARES

(as at 1 June 1983)

COUNTRY	SIGNATORY	INVESTMENT SHARE %
USA	Communications Satellite Corporation (COMSAT)	23.34024
USSR*	Morsviazsputnik	14.07801
UNITED KINGDOM	British Telecom	9.88140
NORWAY	Norwegian Telecommunications Administration	7.87029
JAPAN	Kokusai Denshin Denwa Co., Ltd.	6.99212
ITALY	Ministero delle Poste e Telecomunicazioni	3.35186
FRANCE	Direction Generale des Telecommunications	2.88263
GERMANY, FEDERAL REPUBLIC OF	Bundesministerium fur das Post und Fernmeldewesen	2.88263
GREECE	Hellenic Telecommunications Organization (OTE)	2.88263
NETHERLANDS	Netherlands PTT Administration	2.88263
CANADA	Teleglobe Canada	2.61454
KUWAIT	Ministry of Communications	2.01113
SPAIN	Compania Telefonica Nacional de Espana	2.01113
SWEDEN	Swedish Telecommunications Administration	1.87710
AUSTRALIA	Overseas Telecommunications Commission (OTC)	1.67602
BRAZIL	Empresa Brasileira de Telecomunicacoes S.A. (EMBRATEL)	1.67602
DENMARK	Post and Telegraph Administration	1.67602
INDIA	Overseas Communications Service	1.67602
POLAND	Office of Maritime Economy	1.67602
SINGAPORE	Telecommunication Authority of Singapore	1.67602
CHINA, PEOPLE's REPUBLIC OF	Beijing Marine Communications and Navigation Company	1.23542
ARGENTINA	Empresa Nacional de Telecomunicaciones (ENTEL)	0.60335
BELGIUM	Regie des Telegraphes et des Telephones	0.60335
FINLAND	General Directorate of Posts and Telecommunications of Finland	0.60335
NEW ZEALAND	Post Office Headquarters	0.36241
BULGARIA	Shipping Corporation	0.27176
PORTUGAL	Companhia Portuguesa Radio Marconi	0.20590
ALGERIA	Ministere des Postes et Telecommunications	0.05000
CHILE	Empresa Nacional de Telecomunicaciones S.A. (ENTEL-CHILE)	0.05000
EGYPT	Telecommunications Organization	0.05000
IRAQ	Republic of Iraq	0.05000
LIBERIA	Republic of Liberia	0.05000
OMAN	Sultanate of Oman	0.05000
PHILIPPINES	Philippine Communications Satellite Corporation (PHILCOMSAT)	0.05000
SRI LANKA	Overseas Telecommunication Service	0.05000
UNITED ARAB EMIRATES	Ministry of Communications	0.05000
TUNISIA	Republic of Tunisia	0.05000
		100.00000

* includes the initial investment share of Byelorussian and Ukrainian SSRs

INMARSAT COAST EARTH STATIONS

Ocean Region Served	Location	
In operation		
Atlantic	Southbury, Conn., U.S.	
Atlantic	Goonhilly, U.K.	
Atlantic	Umm-al-Aish, Kuwait	
Pacific	Santa Paula, Calif., U.S.	
Pacific	Ibaraki, Japan	
Pacific	Singapore	
Indian	Yamaguchi, Japan	
Indian	Eik, Norway	
Under construction		**Ready for service**
Atlantic	Fucino, Italy	late 1983
Atlantic	Odessa, USSR	late 1983
Atlantic	Pleumeur Bodou	late 1983
Atlantic	Tangua, Brazil	late 1983
Indian	Odessa, USSR	late 1983
Indian	Thermopylae, Greece	mid-1984
Indian	Nakhodka, USSR	late 1984
Pacific	Nakhodka, USSR	late 1984