

HON. MINISTER OF TRADE, INDUSTRY AND AGRICULTURE

Licence to Messrs. Cable & Wireless Limited
to continue to operate the external
telecommunications in Malta

It was decided in Cabinet on the 15th October, 1963, that a new agreement for the renewal of the two licences held by Messrs. Cable & Wireless Ltd. to operate Wireless Telegraphy and Telegraph and Telephony in Malta should be drawn up embodying certain fundamental points.

Negotiations were continued with Messrs. Cable & Wireless Limited on the new agreement which would allow the Company to continue to operate the external telecommunications in Malta, the original licence for which expired on the 31st December, 1962.

2. It was agreed with the Company that the basis of all negotiations was on the understanding that the Malta Government would remain within the Commonwealth and would join the Commonwealth Telecommunications Organization, appointing Messrs. Cable & Wireless Limited as its National Body if their licence were renewed.

3. The Company has accepted the increase of the licence fee from £16 to £4,000 per annum. It has also accepted to increase the Malta terminal rates by 10 centimes per word in the case of foreign telegrams and 6 centimes per word in the case of Commonwealth telegrams and to share on a 50% basis with the Malta Government all the terminal rates. This would yield to the Malta Government a sum of about £15,000 of which the Company would be recovering £6,400 from the Malta public by the increase on telegraph rates. In addition, Messrs. Cable & Wireless Limited accepted the introduction of a £20 per annum fee on teleprinters, leased by the Company, to be collected by the Company and paid to Government, yielding about £2,000; and the payment of 5% of all tariffs paid by the users of leased telegraph circuits equivalent to about another £2,500 per annum.

4. These arrangements, on the basis of the traffic

in 1964/65, would yield about £23,500 to Government, i.e. £16,000 from the Company's revenues and £7,500 from Telegraph and Telex users. However, the Company is insisting that, apart from the licence fee and the Malta Government share of fees collected by the Company, that is about £9,000, which would be payable in any case, the balance of the payments by the Company shall not exceed 20% of the Company's established surplus under the Commonwealth Telecommunications accounting arrangements.

5. Agreement has not been reached on the termination clauses of the contract as the Company could not accept the Government's proposal that, in the case of termination of the contract by the Company, all the Company's assets in Malta would become the property of the Government without compensation, and to the option by Government to purchase all or any of the Company's assets in Malta in case of termination of the contract by the Government.

6. The Company has proposed instead that, in case of termination by the Government, the Government shall purchase the Company's assets in Malta (excluding submarine cables, and with the option to exclude also any dwelling houses owned by the Company in Malta); in case of termination by the Company by giving not less than three years notice, the Government would have the option to acquire the Company's assets in Malta (excluding submarine cables and dwelling houses). If less than three years notice is given, the Company's assets (excluding submarine cables and dwelling houses) would become the property of Government without compensation. The Company also insists that, in case of purchase by Government, the assessment of the Company's assets should be on their replacement value and not on their bookvalue as proposed by Government.

7. As stated, the negotiations with the Company have all been made on the understanding that Malta would be joining the Commonwealth Telecommunications Organization. In the first meeting of the Council of this new Organization, held in London in April, 1967, Malta was represented by an observer who was informed by the Chairman of the Commonwealth Telecommunications Board that Malta would continue to participate in the preferential tariff rate scheme, even if it did not join the Commonwealth Telecommunications

Organization and this point, which was emphasized in the Memorandum to Cabinet No. 4688, is not, therefore, relevant to the consideration of this matter. The advantages, he points out, would be that we would have at our disposal advice and a pool of knowledge both technical and operational in a very important field in which we have very limited experience.

8. With regard to the Malta share of the expenses of the Organization, he has been informed that these would be a proper charge to Messrs. Cable & Wireless Limited if appointed our National Body as in the case of Jamaica, Trinidad and Tobago. The Malta Government would thus have only to meet the cost of travelling and subsistence of any Government officials who may attend conferences or council meetings.

9. Information was obtained, from the Kenya representative at the Commonwealth Telecommunications Conference held in London in 1966, that on obtaining independence the Kenya Government had purchased a 20% interest of the local assets of Cable & Wireless Limited who were running their telecommunications services and that they intended to purchase a further 10% or 20% interest with the aim of taking over gradually the running of their telecommunications. It is considered that the time has arrived for similar action to be taken by the Malta Government.

10. Ministers are asked to approve that:-

(i) Malta should join the Commonwealth Telecommunications Organization and appoint Messrs. Cable & Wireless Limited as our National Body;

(ii) The financial arrangements reached with Messrs. Cable & Wireless Limited be accepted, provided the amount payable to Government should be tied down to 25% of the Company's profits in Malta and not to 20% as proposed by the Company;

(iii) The Company's proposal for the termination of the contract and the assessment of the Company's assets on their replacement cost be accepted, as the Company has explained that the purchase at book value is contrary to procedure generally

accepted and agreed by other Commonwealth Governments as a fair and reasonable basis when purchasing the Company's assets in their territories;

(iv) A proposal be made to the Company to accept an equity participation by Government of their capital assets in Malta, including buildings. It is understood that the Company's equipment in Malta is valued at about £250,000. The cost of the buildings is not known.

13th December, 1967.

Note regarding Possible Redundancies in
the Staff of Cable and Wireless (Malta) Ltd.

The Association of Scientific Works, Cable and Wireless Ltd. Malta Branch, has made representations to the Government to the effect that a number of male operators employed with Cable and Wireless are likely to become redundant as a result of the activation of a direct cable between Libya and Italy, early in 1968.

2. From information furnished by the Association, it appears that Cable and Wireless Malta is at present the relay centre for traffic from all parts of the world to Tripoli and Benghazi, and that the new Libya-Italy cable will result in a reduction of this traffic. Other factors which are expected to contribute to reduced traffic are (a) a new micro-wave link between Tripoli and Tunis which will become operational as from 1st January, 1967; (b) a possible Tunis-Rome link up; (c) the expiry of Cable and Wireless's agreement with the Libyan Government at the end of 1967; and (d) a progressive taking over by Arab governments of European run facilities in their countries.

3. The Association claims that out of a staff of 54 operators, possibly 14 may become redundant, and the Association does not exclude the possibility of redundancies in other sectors of Cable and Wireless.

4. The Association has asked that in granting a new licence to the Company, the Government should insist on the retention by the Company of all locally-engaged staff, or alternatively, that the ten female employees taken on when the telex system was introduced should be replaced by any redundant operators, in accordance with the Company's promise said to have been made to the Association, at the time these female employees were engaged. The Association further suggest that the operation of the ship-to-shore link for twenty-four hours instead of one hour a day, would be able to absorb any redundant operators. (In this connection, it should be noted that Cable and Wireless have applied for the use of a plot of land, held by the British Authorities, for the purpose of installing a ship-to-shore radio mast. The application does not indicate that this is intended for a 24-hour service. There is some difficulty about granting the site asked for, under licence from the British Authorities as provided in the Defence Agreement.) Another possibility, not put forward by the Association, is that the Company should undertake to provide alternative employment for redundant staff in other centres abroad.

5. The Association has pointed out that the profits of the local Company do not reflect the profits accruing to the parent Company through the use of the Malta centre, and has suggested that this could be one element which could strengthen a Government request for the retention of the present staff level.

6. No intimation of discharges has been given by the Company, and it is difficult to ascertain the definite existence of the possibility that redundancies may in fact occur. The Postmaster General is not in a position to say how the new Libya/Italy cable will affect Cable and Wireless staff: the Chief Inspector of Wireless Telegraphy reports that traffic is largely a question of the internal routing of cables on the most economical circuits available. We have no information regarding cable circuits, as opposed to radio telegraphy and radio telephony circuits.

7th December, 1967.

ARKIVJI NAZZJONALI TA' MALTA

THIS DEED made the _____ day of
19 ____ Between THE GOVERNMENT OF MALTA (hereinafter
called "the Government") of the one part and CABLE
AND WIRELESS LIMITED whose registered office is
situate at Mercury House Theobalds Road in the
County of London (hereinafter called "the Company"
which expression shall include its successors
and permitted assigns and delegates) of the other
part

Recitals.

WHEREAS Messrs. Cable and Wireless
Limited were issued with a licence to operate
Wireless Telegraphy in Malta on the 8th February,
1939, and another licence to operate Telegraphy and
Telephony by Cable in Malta on the 17th November,
1954, and both licences expired on the 31st
December, 1962.

AND WHEREAS the Company is desirous of
continuing to operate telecommunication services
in Malta in the manner hereinafter described.

AND WHEREAS the Government has agreed
to grant to the Company the licences, powers
and authorities hereinafter expressed and contained
for the period upon the terms and subject to the
stipulations and conditions hereinafter appearing.

NOW THIS DEED WITNESSETH that the
Government in exercise of all the powers and
authorities enabling it in that behalf doth by
these presents grant to the Company LICENCE
AND PERMISSION to continue to Provide and/or
operate and to augment such external telecommunica-
tion services to and/or from places outside Malta
or passing in transit through Malta and with
ships at sea as the Company was providing and/or
operating immediately prior to the granting of
this Licence and to provide and/or operate
additional telecommunication services with any
point or points outside Malta which the Company
may from time to time and with the approval of
Government consider necessary or desirable.

AND for such purposes:

/(1) To establish

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- (i) To establish and/or maintain a wireless station or wireless stations in Malta on a site or sites approved by the Government and working on Radio Frequencies and with technical characteristics also approved as aforesaid.
- (ii) To lay and/or maintain on and along the foreshore and bed of the sea at Malta in a seaward direction a line or lines of submarine telecommunications cable of any type.
- (iii) To instal and/or maintain in Malta telecommunication apparatus for public correspondence except telephone, sound broadcasting, television broadcasting, sound and television broadcasting.
- (iv) To provide any necessary circuits between the installations referred to in (i), (ii) and (iii) above as may be required for the control, operation and/or co-ordination of the aforementioned telecommunication services.
- (v) To establish, maintain and operate telex apparatus at subscribers' premises.

AND to receive appropriate payment for the services performed.

TO HAVE AND TO HOLD for the term hereinafter provided YIELDING AND PAYING therefor the yearly fee of Four Thousand Pounds to be paid in advance on the first day of _____ in each year:

Provided that the Government shall have the monopoly of the business of transmitting all telephone messages in Malta and the monopoly of providing all circuits in Malta for the transmission of all telecommunication messages.

AND IT IS HEREBY AGREED AND DECLARED between the parties hereto in manner following:

/1. (1) In these ...

Definitions.

1. (1) In these presents the following expressions shall have the several meanings hereinafter assigned to them unless there is something either in the subject or context repugnant to such construction:

"Message" means any telegram, phototelegram, telephone or telex call.

"Telegram" means written matter intended to be transmitted by telegraphy for delivery to the addressee.

"Telecommunication" means any transmission, emission or reception of signs, signals, writing, images and sounds or intelligence of any nature by wire, radio, optical or other electromagnetic systems.

"The International Telecommunication Convention" means the International Telecommunication Convention of Geneva 1959 and the General and Administrative Regulations referred to in Article 14 thereof and includes any Convention and/or Regulations which may from time to time be in force in revision thereof or in addition thereto.

(2) Expressions not specifically defined in this Deed shall have such meaning as may be assigned to them by the International Telecommunication Convention.

2. The Company shall at all times observe the provisions of:

- (1) the International Telecommunication Convention;
- (2) the Convention for the Protection of Submarine Cables signed in Paris on the 14th day of March 1884 and any provisions which may for the time being be in force in substitution therefor or amendment thereof; and

/(3) legislation

Company to observe International Conventions and local legislation.

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(3) legislation in force in Malta.

As to interference.

3. The licensed apparatus shall be so operated that it will not cause troublesome interference with any other authorised apparatus within its range and with a view to the avoidance of such interference the Company shall comply with any instructions given by the Government as to the operation of the licensed apparatus.

Cables to be landed etc. to Government satisfaction and modifications to cables require approval of Government.

4. (1) The Company shall land, maintain and secure its cables to the satisfaction of and at locations approved by the Government.

(2) Future laying, diversion or removal of cables, including replacements, diversion or removal of any cables at present terminated in Malta (which consist of four cables to Gibraltar, one being abandoned, three cables to Alexandria, all being abandoned, two cables to Marseilles, both being abandoned, two cables to Benghasi, one cable to Athens, one cable to Tripoli, one cable to Rome and one cable to Pozzallo), shall be carried out with the approval and consent of the Government. Modifications to cables, including renunciation to or temporary suspension of existing and all future cables shall be likewise subject to the approval of the Government.

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Company to observe conditions as to buildings etc.

5. The Company shall construct and maintain all junction boxes, cable huts, offices and other buildings, pipes, tubes and other apparatus necessary for working its cables in such manner as the Government may direct and shall from time to time comply with such stipulations and conditions as regards their location and concealment as the Government may from time to time make for any purpose it may consider proper including the safeguarding and protecting of any object or property from accidental or malicious injury or destruction.

/6. The Company

Company's buildings, etc., on the shore and seabed not to obstruct navigation and not to prejudice public interest.

6. The Company shall not place any buildings, works or materials or do any other act on the shore and/or on the seabed without the prior consent in writing of the Government, who may withhold such consent where in its opinion the placing of the buildings, works or materials or the doing of any other act in a specified location, as proposed by the Company, may prejudice or obstruct sea or air navigation or be or become injurious to the public interest.

Government's rights as to buildings, etc., on the shore and seabed.

7. (1) It shall be lawful for the Government and any body or person duly authorised by it at any time to remove from the said shore and seabed all buildings, works and materials which may have been placed there by the Company without the consent or approval hereby required thereto or which by reason of having been abandoned or suffered to fall into decay may be in such a condition as in the opinion of the Government to prejudice or obstruct or cause reasonable apprehension that they may prejudice or obstruct sea or air navigation or be or become injurious to the public interest and to restore the said shore and seabed to the former or proper condition thereof and the Company will pay to the Government or such authorised body or person as aforesaid all expenses incurred in or about the said buildings, works and materials.

(2) Where in the opinion of the Government any buildings, works or materials are situated in a place on the shore and/or on the seabed which is required by the Government for the purpose of sea or air navigation or in the public interest, it shall be lawful for the Government and any person duly authorised as aforesaid, notwithstanding anything in this Licence contained, to require the Company to remove such buildings, works or materials to a place as near as may be to the place from which they are to be removed.

Terminal charges, and surcharges. Payments to the Government.

8. (1) From a date not later than three months subsequent to the date on which this agreement is signed, a terminal charge of 10 gold centimes per ordinary word shall be fixed in respect of all telegrams originating from or destined to Malta. This terminal charge shall be reduced to 6 gold centimes per ordinary word in respect of telegrams exchanged with countries of the Commonwealth. The terminal charge, which will be subject to revision from time to time, shall be shared equally between the Government and the Company.

(2) From the same date there shall apply a surcharge of 1.00 gold franc for every phototelegram received in or transmitted from Malta; such surcharge shall accrue in its entirety to the Government.

(3) From the same date there shall apply and accrue to the Government a surcharge of 60 gold centimes per unit (3 minutes) of telex communication received in or transmitted from Malta. In addition a fee of £20 per annum shall be paid by the Company to the Government for each telex apparatus installed in subscribers' premises.

(4) From the same date the Company shall pay to the Government the equivalent of 5 per cent of all tariffs paid by the users of licensed telegraph circuits. In addition, a fee of £20 per annum shall be paid by the Company to the Government for each teleprinter installed in subscribers' premises.

(5) From the same date the Company shall pay to the Government the sum of five pounds per annum in respect of transit telegrams.

(6) From the first day of the month subsequent to the date on which this agreement is signed, the Company shall receive fifty per cent

/of the

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of the terminal charges accruing to Malta in accordance with international arrangements in respect of the telephone service.

(7) In respect of telegrams transmitted on behalf of the Government of Malta (including any of its departments) the Company shall not charge any rates but shall be only entitled to recover from the Government all the outpayments required by other Administrations and/or telegraph Companies for such telegrams.

Company to give Government (on request) information as to its business; and all rates to be approved by Government.

9. (1) The Company shall from time to time furnish to the Government, on request, all such information as to the rates of charge for telecommunication services, the extent and condition of its business, its income and expenditure and its financial position as the Government may from time to time reasonably require having regard to the ordinary staff and administrative capacity of the Company:

Provided that all information so furnished shall (except for the purposes of this licence and such determination of differences as hereinafter mentioned) be treated as strictly private and shall be in no way published or publicly made use of (except as last aforesaid) without the written consent of the Company.

(2) All rates of charge are to be approved by the Government.

Company to give Government (on request) information as to traffic.

10. The Company shall from time to time furnish to the Government, on request, all such particulars of the traffic passing over its system of telecommunication and originating in, in transit through or destined for Malta as the Government may from time to time reasonably require:

Provided always that in relation to the volume of statistics to be supplied regard shall be had to the ordinary staff and administrative capacity of the Company and that all particulars so furnished shall (except as provided in

Clause 9 hereof) be treated as strictly private and in no way published or publicly made use of, except with the written consent of the Company or when included with other published General Returns.

Company to give Government immediate notice of interruption of communications.

11. (1) If at any time the public services operated by the Company under this Licence shall become interrupted, the Company shall give notice of such interruption to the Government.

(2) For the purposes of this clause "interruption" shall mean the known total cessation for a period in excess of six hours of telecommunication services which the Company provides under this Licence.

Assignment of Licence.

12. (1) Subject always to the rights granted under Clause 17 hereof in respect of direct relations with the public for the provision of all types of telecommunication services the subject of this Licence, the Company shall not, without the consent in writing of the Government having first been obtained, assign or dispose of this Licence or permission or any benefit arising therefrom or delegate any of the powers hereby conferred.

(2) Should any such assignment, disposition or delegation as last aforesaid be made with such consent as aforesaid, the Company will cause a true copy of the instrument effecting the same to be within two calendar months of the date thereof transmitted to the Government.

Company not to be subject to exclusive taxation.

13. Subject to the provisions of this agreement, during the currency of this Licence the Company shall not nor shall any of its revenues or property in Malta be subjected to any exclusive taxation.

/14. During the

Rates of charge
and routing of
messages.

14. During the currency of this Licence, insofar as the Company's system of telecommunication may be used for the transmission and reception of messages, the Company shall -

- (1) subject to the provisions of this agreement with respect to all Government messages to or from Malta transmitted over its system of telecommunication, give to the Government or any Commonwealth Government every advantage in rates of charge for the transmission of messages and otherwise in the treatment of messages which it may give to any other Government for traffic over the same system of telecommunication;
- (2) not directly or indirectly fix, levy or make payable higher rates of charge for the transmission of messages between Malta and Commonwealth countries than for the transmission of messages between Malta and other countries due regard being given to the relative location of the countries concerned and other similar relevant factors;
- (3) with respect to its system of telecommunication conform to such directions, whether special or general, as may be given by the Government or any Commonwealth Government with regard to the route by which the messages of any Commonwealth Government to or from Malta shall from time to time be transmitted.

Government
messages to
receive
priority of
transmission.

15. (1) If and whenever the Government shall require the Company, its servants or agents to give priority to the transmission by means of its system of telecommunication of messages of the Government or any Commonwealth Government such messages shall have priority over all other

/messages insofar

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messages insofar as this may be consistent with the provisions of the International Telecommunication Convention and the Company, its servants and agents shall as soon as reasonably may be transmit the same and shall until and insofar as may be necessary to effect such transmission suspend the transmission of other messages.

(2) The Company shall not be entitled to claim any compensation in respect of the suspension of the transmission of messages as aforesaid.

Company to transmit Non-Government Messages and Deliver non-Government telegrams on equal terms.

16. Subject to Clause 15 (1), the Company shall with due regard to recognised differences between one class of message and another transmit over its system of telecommunication all messages on equal terms without favour or preference:

Provided that nothing in this Licence contained shall prevent the Company from providing for the delivery of telegrams at convenient hours according to the local time at the respective places by transmitting the same in such order of priority as shall be reasonably adapted for that purpose having regard to the respective longitudes of such places:

Provided also that the acceptance and delivery of telegrams in Malta be carried out in accordance with a plan to be approved by the Government.

Company to have direct relations with public.

17. During the currency of this Licence the Company shall be permitted direct relations with the public for the provision of all types of telecommunication services the subject of this Licence, including the collection and delivery of telegrams, the distribution of message forms and propaganda and other activities relating to the promotion and development of telecommunication traffic over its system of telecommunication.

/18. During

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Government not to licence third party to operate telecommunication services.

Company to provide an efficient service.

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Company to be relieved of its obligations if prevented from meeting them through causes beyond its control.

Certain Government rights not affected by prohibition to grant licences to third parties.

18. During the currency of this Licence:

- (1) the Government agrees not to issue to any person or company any licence or permission to provide any telecommunication services the subject of this Licence;
- (2) the Company undertakes to put at the disposal of Malta, operate and maintain uninterruptedly an efficient telegraphic and telephonic service and in particular undertakes to provide a continuing telephonic service for 24 hours per day on every day of the year with European countries and with the principal extra European countries through London and through one other European Centre;
- (3) the Company undertakes to use its best endeavours to ensure the efficient working and development of the telecommunication services the subject of this Licence and in this connection will consult with the Government from time to time as may be necessary;
- (4) the Company shall be relieved of its obligations under this Licence if and so far and so long as it is prevented from carrying out the same by war, warlike operations, civil commotion, strikes, fire, tempest or other causes beyond its control;
- (5) the foregoing provisions and particularly paragraph (1) of this clause will in no way prejudice or affect the right of the Government
 - (a) to establish, retain, extend, maintain or work any wireless station and/or apparatus for any

/Government

Government purpose or for the purpose of providing a Post Operation Service or to issue to any person, organization or company a licence or permission to establish, retain, extend, maintain or work such station or apparatus for any such purpose;

- (b) to permit the competent Naval, Military and Air Force Authorities of any country or of any international organization or the accredited diplomatic representatives of any country or of any such organization, for their own use to establish, retain, extend, maintain or work any Wireless Station Apparatus and/or Submarine Telecommunication Cables of any type for the provision of all types of telecommunication services the subject of this Licence;
- (c) to grant to any person, organization or company any licence or permission to establish, retain, extend, maintain or work any wireless station or apparatus which
- (i) either may communicate with the wireless station or stations of the Company (such as ship stations), or
- (ii) in its operation of radio services will not have any direct effect on the telecommunication services of the Company (such as base stations, land mobile stations, aircraft stations, radio-determination stations,

/amateur stations ...

amateur stations, experimental stations).

Employees.

19. The Company undertakes to employ persons who are citizens of Malta other than in particular cases approved by the Government,

Government's right to inspect Company's installations.

20. The Government and any body or person duly authorised by it may at all reasonable times enter upon all or any of the stations, offices and installations in Malta in the possession or occupation of the Company (either solely or jointly with any other person or persons) for the purpose of inspecting any of the licensed apparatus and the working and user of such apparatus:

Provided that any information thereby gained with regard to the Company's apparatus and system shall be regarded as confidential.

Government's powers to take possession of or to control in emergency.

21. (1) During a period of public emergency the Government shall have the right without becoming liable to pay any compensation to the Company to take control over the reception or transmission of messages, including control over transit messages, by the Company's telecommunication apparatus and to direct and cause so much of the Company's installations as are within Malta or the territorial waters thereof or any part of such installations to be taken possession of in the name and on behalf of the Government and to be used for the service of the Government and, subject thereto, for such service as the Government may deem fit and, in that event, any person authorised by the Government may enter upon the said installations or any of them and take possession thereof and use the same as aforesaid.

(2) (a) During such period of public emergency, instead of taking possession of the said installations or any of them

/(1) The Government

(i) The Government may direct and authorise such persons as it may think fit to assume control of the Company's telecommunication services within Malta either wholly or in part, in such manner as it may direct, and to operate in likewise manner the said services in the interest, to the benefit and risk of the Company, and such persons may enter upon the Company's premises accordingly; or

(ii) the Government may direct the Company to submit to the Government or to any person authorised by it all messages tendered within Malta for transmission or arriving in Malta or in transit through Malta by the Company's system of telecommunication, or any class or classes of such messages, and to stop or delay the transmission and/or delivery of any such messages or to deliver the same to the Government or its agent and generally to obey and conform to all such directions in regard to the said telecommunication services as the Government may give.

(b) During any period of emergency, the Government shall have the exclusive and unfettered right to determine the person or persons, whether in the employment of the Company or otherwise, who are to control, manage, supervise, maintain or operate all or any of the Company's apparatus and/or services or who are to hold any appointment

/giving the holder

giving the holder thereof access to any of the Company's apparatus or to messages passing through the Company's system of telecommunication.

(3) In any such case the Company shall have no right to compensation should Government suspend, partially or totally, the telecommunication services:

Provided that where Government takes possession of the offices and equipment of the Company there shall be prepared a condition report showing the state of the said offices and equipment at the time of taking possession:

Provided also that Government binds itself to hand back to the Company the said offices and equipment in the same state of preservation as at the time of taking possession except for normal fair wear and tear.

Provisions for determination of Licence by Government in certain events.

22. In any of the following cases -

- (a) if during the currency of this Licence the Company shall be dissolved or become insolvent or go into liquidation otherwise than for the purpose of reconstruction which does not in the opinion of the Government destroy the identity of the Company or shall cease to carry on a telecommunication business, or
- (b) if any act shall be done or suffered whereby either wholly or partially the licence or permission hereby granted or any benefit arising therefrom or any powers hereby conferred shall without the assent of the Government first obtained become vested in or delegated to any body or person other than the Company, or
- (c) if default shall be made in the observance or performance of any covenant or provision herein contained and on the

/ part of the

part of the Company to be observed and performed,

then and in any such case it shall be lawful for the Government by notice in writing served on the Company to revoke and determine the present licence or permission as the Government shall in its absolute discretion think fit and such licence or permission shall thereupon cease and determine accordingly but without prejudice to any remedy of the Government under any covenant or provision herein contained and on the part of the Company to be observed and performed:

Provided that, in the case of a default which is capable of remedy, the Government may, before revoking and determining the present licence as aforesaid, request the Company to remedy such default within a reasonable time and in any such case -

- (i) if the Company complies with the Government's request, the present licence shall remain in force; or
- (ii) if the Company does not comply with the Government's request, it shall incur a penalty payable to the Government of twentyfive thousand pounds. Moreover, the present licence shall be revoked and determined and all radio and cable stations, all telecommunication equipment and any office furniture and equipment, belonging to the Company in Malta, and the Company's telecommunication cables between Malta and other countries shall become the property of the Government and the Company shall not have any right to compensation therefor. For the purpose of this provision and for the purpose of giving it effect in regard to

/immovables

immovables, the Company hereby promises, undertakes and obliges itself, on the revocation and determination of the licence as aforesaid and not later than two months of such revocation and determination, to appear on the necessary public deed and to transfer to the Government in the proper form the Company's immovable property in Malta falling within the scope of this provision.

Term of
licence and
Government's
rights.

23. (1) This licence shall remain in force for nine years, commencing on the first day of _____, 1965, and expiring on the _____ day of _____ 1974; and, thereafter, for subsequent periods of three years, unless terminated at the end of any licence period by either side giving one year's notice.

(2) On termination of this Licence as aforesaid:-

(i) if the Company notifies the Government of its intention not to renew the agreement, then, on termination of the licence period current at the time of such notice, all radio and cable stations, all telecommunication equipment and any office furniture and equipment, belonging to the Company in Malta, and the Company's telecommunication cables between Malta and other countries shall become the property of the Government and the Company shall not have any right to compensation therefor. For the purpose of this provision and for the purpose of giving it effect in regard to immovables,

/the Company :.....

the Company hereby promises, undertakes and obliges itself, on termination of the licence period as aforesaid and not later than two months of such termination, to appear on the necessary public deed and to transfer to the Government in the proper form the Company's immovable property in Malta falling within the scope of this provision.

- (ii) if the Government notifies the Company of its intention not to renew the agreement and if there is not also a notification to the same effect by the Company to the Government, in which case the provision of subparagraph (i) of this paragraph shall apply, the Government shall have the right to purchase all or any of the Company's radio and cable stations, telecommunication equipment, office furniture and equipment in Malta, and all or any of the Company's telecommunication cables between Malta and other countries, against the payment of a compensation to be assessed on the basis of the actual value at the time of handing over of any of the property or items being so purchased. The intention of the Government to exercise as aforesaid the right of purchase in relation to any of the property or items above referred to shall be notified to the Company not later than six months after the Government's notice of non-renewal of the

/agreement

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agreement. For the purpose of this provision and for the purpose of giving it effect in regard to immovables, the Company hereby promises, undertakes and obliges itself to appear, within two months of termination of the licence period, on the necessary public deed and to sell and transfer to the Government in the proper form any of the Company's immovable property falling within the scope of this provision in regard to which the Government will have exercised the said right. The said term of two months shall run notwithstanding that the Government and the Company will not have agreed upon the price payable in respect of the transfer or that the assessment thereof may have been referred to arbitration: provided that such price shall be payable by the Government to the Company not later than three months from agreement thereon on assessment thereof by arbitration.

No compensation for use and possession of immovable property due to be transferred.

24. In each and every case under the foregoing clause where any immovable property is due to be transferred by the Company to the Government, the Company shall not be entitled to any compensation for the use and possession by the Government of such property during the period elapsing between the termination, revocation or determination of the present licence and the date of publication of the deed giving effect to the transfer of such property.

Arbitration.

25. Any matter which in pursuance of the provisions herein contained is to be determined by arbitration and any other

/dispute

dispute or difference which should arise as to the meaning of these presents or as to the rights or obligations of either party hereunder or as to the price payable by the Government to the Company under subparagraph (ii) of paragraph (2) of clause 23 shall be referred to arbitration, to which the rules set out hereunder shall apply, namely:-

- (i) The party which appeals to arbitration shall initiate the arbitration procedure by transmitting to the other party to the dispute a notice of the submission of the dispute to arbitration.
- (ii) Within three months from the date of receipt of the notification of the submission of the dispute to arbitration, each of the two parties to the dispute shall appoint an arbitrator.
- (iii) The two arbitrators thus appointed shall choose a third arbitrator. Failing agreement between them the choice of the third arbitrator shall be remitted to the Secretary-General of the International Telecommunication Union who, however, shall not select such arbitrator from among any persons suggested by any of the two parties to the dispute.
- (iv) The parties to the dispute may agree to have their dispute settled by a single arbitrator appointed by agreement or by the Secretary-General of the International Telecommunication Union.
- (v) The arbitrator

- (v) The arbitrator or arbitrators shall be free to decide upon the procedure to be followed.
- (vi) The decision of the single arbitrator shall be final and binding upon the parties to the dispute. If the arbitration is entrusted to more than one arbitrator, the decision made by the majority vote of the arbitrators shall be final and binding upon the parties.
- (vii) Each party shall bear the expense it shall have incurred in the investigation and presentation of the arbitration. The costs of arbitration other than those incurred by the parties themselves shall be divided equally between the parties to the dispute.

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Notices.

26. (1) Any notice given for the purpose of the exercise of any of the rights referred to in clause 21 of this deed shall be under the hand of the Prime Minister or of the Minister responsible for Communications.

(2) Any other notice, request or any consent (whether expressed to be required in writing or not) to be given by the Government under the present deed shall be under the hand of the Postmaster General or of any other public officer duly authorised in writing by the Minister responsible for Communications.

(3) Any notice referred to in sub-clauses (1) and (2) of this clause may be served by sending the same in a registered letter addressed to the office of the Company in Malta or to its registered office.

(4) Any notice to be given by the Company under the present deed may be served by

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sending the same in a registered letter to the Minister responsible for Communications.

Marginal Notes. 27. The notes inserted in the margin of these presents are for convenience of reference only and shall not in any way affect or control the construction thereof or of any provision therein contained.