

PROPOSED ICELAND INFRASTRUCTURE

1. The NATO Common Infrastructure projects for Iceland are an Ammunition Storage, Fuel Storage and Mooring Buoys. It is intended that the three projects be located in the vicinity of Hvaljordhur, as shown in the attached map.
2. These three Naval Fleet Facilities were originally programmed for construction in Iceland in the 1958 program at a cost of 9.6 million pounds. However, due to delays in acceptance and approval they were deleted from the program in February 1960 to finance other NATO projects. The projects were reduced to one-third of their original capacity and reprogrammed in the 1961 program in September 1960.
3. These Fleet Facilities are required to support the Striking Fleet when deployed in the Norwegian Sea, to support convoy escorts and local defense forces and for support of the anti-submarine carrier group. The strategic importance of these projects to NATO can be realized from the fact that without them, vital fleet operations in the Norwegian Sea and Iceland area would have to be curtailed and other remote replenishment facilities in the North American Continent would have to be utilized with consequent delays.
4. The capacities and estimated cost of these projects are as follows:

<u>Project</u>	<u>Capacity</u>	<u>Cost (£)</u>
Fuel Storage	52,250 m3	2,100,000
*Ammunition Storage	4,000 m2	800,000
Moorings	12	310,000

*Conventional Ammunition.

5. Current plans for the fuel storage are that it will be constructed adjacent to the existing national storage and designed to be semi-buried and covered. A jetty is required that will meet the needs of both the fuel and ammunition handling requirements. Other augmentation items included heating facilities for tanks, pipelines, pump station, electrical power station, security facilities, internal communications, internal roads and utilities as necessary.

6. The ammunition Storage requirements are for magazines which will be covered and blast proof with additional storage (inert) for handling equipment and tools. The ammunition depot is to be equipped with necessary crane facilities for loading and off-loading ammunition and must have access to the jetty. In addition, fire fighting equipment, internal roads and utilities will be provided. The ammunition storage will be semi-buried with reinforced concrete chambers. All ammunition is for the conventional type.
7. The Fleet Moorings would provide mooring facilities for carriers, supply ships and smaller vessels.
8. At such time as Icelandic authorities accept these projects, the Supreme Allied Commander Atlantic will request the United States to accept the Host Nation role for administering the design and construction of the projects. At the same time the United States will be requested to extend the current Memorandum of Understanding, dated 6 November 1959, between Icelandic and United States authorities, to include the three additional projects. This memorandum of understanding governs the agreed responsibilities between Iceland and the United States in executing required construction. The memorandum originally covered only the LORAN station but was later extended to include the two radio stations identified on the chart as NA-15 and NA-85.
9. The cost of design and construction will be borne by NATO common funding with Iceland providing the required land. The projects undoubtedly will be exempt from International Competitive Bidding.