## ANNEX

The Canadian Government undertakes to pay one-half of the costs incurred in the operation, maintenance and support of the Range, that is to say:

(1) Costs agreed upon by the National Research Council and the Department of Defense (United States Air Force) which are incurred at Fort Churchill by the National Research Council and by other Canadian agencies in supporting the Range;

(2) Those costs assumed by the Department of Defense (United States Air Force)

- (a) In continuation of the functions previously performed by the Defence Research Board of Canada through its Northern Laboratory, and
- (b) In maintaining on air surveillance capability for range safety purposes previously provided by the Canadian Department of Public Works; and

(3) Costs previously borne by the Department of Defense (United States Air Force) for operation and maintenance of the Range, but

- (a) Excluding those costs attributable to the Range incurred at higher headquarters of both Governments' authorities and of other Governmental agencies; and
- (b) Excluding, with respect to persons employed by an operating contractor on or after July 1, 1965, those costs that reflect any bonuses or benefits paid by such contractor to or on behalf of United States citizens or residents which are not paid to Canadian citizens resident in Canada.

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