

ANNEX

Statement of Conditions to Govern the Establishment of a Petroleum Products Pipeline from the United States Air Force Dock at St. John's, Newfoundland, to Pepperrell Air Force Base, Newfoundland

(In this Statement of Conditions, unless the context otherwise requires, "Canada" means the Government of Canada and "United States" means the Government of the United States of America.)

1. Right-of-way

All land or interest in land required for the right-of-way of the pipeline and appurtenances, and for access roads, will be acquired by and remain in the title of Canada. Canada grants and assures to the United States, without charge, such rights of access, use, and occupancy as may be required for the construction and operation of the pipeline, subject to the following:

- (a) The Minister of Public Works of the Province of Newfoundland, or the Corporation of the City of St. John's for that part of the pipeline within the city limits, may require the United States Government to relocate the pipeline to facilitate the construction, reconstruction or relocation of any work, provided, however, that the cost of relocation shall be borne by the Government of Newfoundland or the City of St. John's, as appropriate, and provided further that such relocation will not unreasonably interfere with or impede essential military operations or maintenance of the pipeline.
- (b) The Minister of Public Works of the Province of Newfoundland, or the Corporation of the City of St. John's for that part of the pipeline within the city limits, may require that permission be granted for construction upon, along or across the pipeline, of any highway, private road, railway, drain, telegraph, telephone or electric power line or any pipeline, provided such construction will not unreasonably interfere with or impede essential military operations or maintenance of the pipeline.
- (c) After this Agreement has been in force for ten years, it shall be open to the Government of the Province of Newfoundland to propose that the United States, at its cost, bury the unburied portion of the pipeline, or any part thereof, if in the opinion of the Government of Newfoundland it is necessary and important for, or by reason of, the safety or development of the adjoining areas. If such a proposal is made by the Government of Newfoundland, it shall be discussed between the Governments of Newfoundland, Canada and the United States. Following such discussion, it shall be open to the Government of Newfoundland to require the United States, on one year's notice, to execute the proposal, subject to the right of the United States to terminate this agreement pursuant to paragraph 6 hereof.

2. Plans

The detailed plans, description of the route and access roads, and specifications of the pipeline shall be supplied to the appropriate Canadian authorities. They shall also be submitted to, and will require the approval of, the appropriate authorities of the Government of Newfoundland and the City of St. John's. Canadian officials shall have the right of inspection during construction.