

14. *Airborne Warning and Control System (AWACS) Aircraft.* The costs of operating the AWACS aircraft will be the responsibility of the United States. All related costs of participating Canadian crew members will be borne by Canada.

15. *Coastal Radars.* If there is a joint determination, on the advice of CINCNORAD, of a joint requirement for coastal radars, both governments will undertake best efforts to negotiate a cost sharing agreement in accordance with a 60/40, United States/Canada principle to the maximum extent feasible.

16. *Forward Operating Locations (FOL)/Dispersed Operating Bases (DOB).* Canada and the United States will jointly determine what constitute "minimum essential upgrades" to selected interceptor and AWACS FOL/DOBs. Bearing in mind the cost-sharing principles identified above, Canada and the United States will evaluate opportunities for Canada/United States cooperation in the construction of FOLs/DOBs — to meet NORAD operational requirements in Canada — with a view to the United States contributing toward the cost of the FOLs/DOBs. The results of this evaluation will be made available to the North American Air Defence Responsibilities Sharing Steering Group by 31 December 1985 and will be used as the basis for cost sharing negotiations.

17. *Interoperability and Connectivity.* After a formal program baseline is established, both countries will undertake to discuss appropriate procurement actions.

18. *CADIN-Pinetree Line.* Canada and the United States intend to terminate the CADIN-Pinetree agreements based on the following principles.

- a. Such funding as the United States makes available for CADIN-Pinetree will be terminated no later than September 30, 1988.
- b. Canada and the United States will negotiate the sharing of CADIN-Pinetree closure costs on a basis of 55% United States/45% Canada. The elements of expense subject to cost sharing will be defined by agreement.

19. *Operations and Support.* The operations and support of the different components of the modernization programs are to be shared on the following basis:

- a. North Warning System — 60/40 United States/Canada (To the maximum extent feasible, cost sharing will be effected by allocation of function rather than by reimbursement between the parties, due regard being paid to logistics impacts and life cycle cost minimization. Cost sharing for support of NWS LRRs will commence as the sites become operational, 1 October 1988. Cost sharing for the NWS SRRs will commence when all SRR stations reach Full