

CANADA



EXCHANGE OF NOTES (March 31, 1960) BETWEEN CANADA AND THE UNITED STATES OF AMERICA CONCERNING THE FINAL DISPOSITION OF THE CANOL FACILITIES

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The Department of State of the United States of America to the Ambassador of Canada to the United States of America

DEPARTMENT OF STATE
WASHINGTON

March 31, 1960

EXCELLENCY:

I have the honour to refer to recent discussions between representatives of the United States and Canadian Governments concerning final disposition of the remaining elements of the CANOL project located in Canada.

It will be recalled that on April 1, 1958, the United States Government terminated operation of CANOL Pipeline No. 2 (the four-inch products pipeline) and thereupon transferred its equity in the Canadian portion (including the pump house and pumps on this line at Carcross) to the Canadian Government. Simultaneously the United States Government made the Alaskan portion of CANOL Pipeline No. 2, together with appurtenant terminal and pumping facilities at Skagway, available for use by Canada by conveying for an agreed consideration, including the right to leave the entire line in place, all interest therein to the White Pass and Yukon Railroad and its affiliates, the designee of the Canadian Government, thereby fulfilling the obligations of the United States Government under paragraph 7 of the Annex to the United States-Canada Haines-Fairbanks Pipeline Agreement of June 30, 1953.* I have the honor to propose that the arrangements described above, which have already been made for the transfer of CANOL Pipeline No. 2, now be confirmed formally by our two Governments.

His Excellency
A. D. P. Heeney,
Ambassador of Canada.

With regard to the other CANOL pipeline facilities in Canada still remaining in United States ownership, it is now proposed, as a result of the aforementioned discussions, that these facilities should be disposed of as follows:

1. The United States interest in CANOL No. 3 (the 2-inch line), the portion of CANOL No. 4 (the 3-inch line) in Canada, and the Whitehorse Tank Farm, together with the appurtenant facilities, will be conveyed (on an "as is" and "where is" basis) to the Canadian Government for the consideration agreed between representatives of the two Governments, the facilities having been evaluated in accordance with the procedure specified in the exchange of notes of February 26, 1945,* concerning the CANOL project.

*Canada Treaty Series 1953, No. 20.
*Canada Treaty Series 1945, No. 3.