

DEPARTMENT OF STATE
WASHINGTON

October 7, 1996

Excellency:

I have the honor to refer to discussions which have taken place between representatives of the Government of the United States of America and the Government of Canada concerning the settlement of certain costs of environmental clean-up at four former U.S. military installations in Canada.

As you know, our Department of Defense follows a policy of risk management, remediating environmental damage that constitutes a substantial endangerment to human health and safety. Based upon this policy, the U.S. Government believes that \$100 million (constant-year 1995-1996 United States dollars) represents an appropriate settlement amount for clean-up at the four former military installations: the 21 Dew Line sites returned to Canada between 1989 and 1993 as described in the appendix; the former U.S. naval facility at Argentia, except for approximately 33 acres of land retained as specified at paragraph 1.4.3 of the United States Navy's Base Realignment Plan of May 22, 1993, pursuant to Article 21 of the Leased Naval and Air Bases Agreement of 27 March 1941 between the United States and the United Kingdom; a section of the Canadian Forces Base at Goose Bay, Labrador; and the Haines-Fairbanks pipeline.

His Excellency

Raymond Chretien,

Ambassador of Canada.