

**EXCHANGE OF NOTES BETWEEN THE GOVERNMENT OF CANADA AND  
THE GOVERNMENT OF THE UNITED STATES OF AMERICA, TO-  
GETHER WITH THE ANNEXED MEMORANDUM OF AGREEMENT,  
PROVIDING FOR A REVISED SCHEDULE OF TOLLS TO BE LEVIED  
FOR THE USE OF THE NAVIGATIONAL FACILITIES OF THE ST.  
LAWRENCE SEAWAY**

I

*The Ambassador of Canada to the Secretary of State of the United States of  
America*

Washington, March 20, 1978

No. 124

Sir:

I have the honour to refer to the exchange of Notes with an annexed Memorandum of Agreement, between Canada and the United States of America signed in Ottawa on March 9, 1959<sup>(1)</sup>, and to recent discussions which have taken place between officials of our two Governments concerning tolls to be levied for use of the navigational facilities of the St. Lawrence Seaway Authority, and in the United States by the Saint Lawrence Seaway Development Corporation.

These discussions resulted on March 1, 1978, at Washington, D.C., in the signature by the President of the St. Lawrence Seaway Authority and by the Administrator of the Saint Lawrence Seaway Development Corporation, of the annexed Memorandum of Agreement which sets forth a tariff of tolls for use of the aforementioned facilities.

I have the honour to propose that there be a mandatory intergovernmental review every four years with the first review to occur in 1981, for the purpose of achieving, through the tariff of tolls and revenue sharing arrangements, economic viability for each section of the Seaway based upon recovery of annual operating costs and equitable return to the two Governments for depreciation and capital investments, having regard to the need to encourage the optimum utilization of the existing Seaway facilities.

In preparation for such review, the two Seaway entities shall review their actual and projected revenues and costs and recommend to their respective Governments necessary revisions to the tariff of tolls. Once agreement has been reached between our Governments, the adjustments will be made effective following an exchange of diplomatic notes.

In the period between the mandatory intergovernmental reviews the two Seaway entities should maintain constant surveillance over all of the economic factors pertaining to maintenance and operation of the Seaway and recommend to the two Governments any adjustments which might be required.

<sup>(1)</sup>Treaty Series No. 1959/5