

MEMORANDUM OF AGREEMENT

MEMORANDUM OF AGREEMENT between The St. Lawrence Seaway Authority, hereinafter referred to as "Authority" and the Saint Lawrence Seaway Development Corporation, hereinafter referred to as "Corporation," respecting the Memorandum of Agreement between the parties dated January 29, 1959, as amended, hereinafter referred to as the "Agreement" and the St. Lawrence Seaway Tariff of Tolls.

WHEREAS the Authority and the Corporation, recognizing the financial requirements of the two entities, have developed an incentive tolls policy;

AND WHEREAS Clause 4 of the 1959 Agreement respecting the said Tariff, between the Authority and the Corporation, provides that such changes as "will be compatible with the general terms of the Tariff" may be made by the Authority and the Corporation.

NOW THEREFORE, the Authority and the Corporation agree, subject to confirmation of their respective Governments, that a new section be added to the St. Lawrence Seaway Tariff of Tolls as follows:

"7.(1) Notwithstanding anything contained in this Tariff, the portion of the composite toll related to charges per metric ton of cargo charged on new downbound business shall be reduced by a fifty percent refund for the period beginning July 1, 1990 and ending September 30, 1990.

(2) The refund mentioned in (1) above shall be granted after payment of the full toll specified in the Schedule under the tariff if:

(a) a vessel enters a Seaway lock after leaving the port of origin in a downbound direction after 00:01 hour July 1, 1990 and leaves the Seaway prior to arriving at the port of destination by 23:59 hours September 30, 1990;

(b) a vessel described in (a) above carries, for each consignee, 1,000 metric tons or more of new downbound business; and

(c) an application for a new downbound business refund is submitted to the Authority or the Corporation for audit by the Authority or the Corporation.

(3) For the purposes of this section, "new downbound business" means

(a) downbound cargo that has not moved through a Seaway lock during the navigation seasons of 1987, 1988 and 1989, or

(b) downbound cargo that has moved through a Seaway lock in quantities representing less than five percent of the average of Seaway traffic to the particular destination during the navigation seasons of 1987, 1988 and 1989.