

Subject to availability of appropriated funds, each government will bear the cost of accomplishing its responsibilities as stated above. If the two governments agree that the three LRR stations to be constructed by Canada in Labrador cannot be located at formerly occupied sites for operational reasons, the additional cost associated with alternative sites will be negotiated.

Both parties undertake to make every effort to avoid program or schedule changes that will cause increased cost to the other government. If changes or delays by either government in fulfilling its responsibilities under this agreement will cause increased cost to the other government, Canada/United States Steering Group will consult immediately and, if mutually agreeable, amend the responsibilities in this document to meet the anticipated increased cost.

The two governments have entered into this understanding and allocation of program responsibilities based on the assumption that the United States will fund \$665 million (constant United States FY 85 dollars) of estimated NWS program costs and Canada will fund \$418 million (constant United States FY 85 dollars) of estimated NWS program cost. If in the course of carrying out the acquisition program, it appears that one government is bearing more than its intended share of the costs, the parties will consult with a view towards realigning their program responsibilities and corresponding costs in order to preserve the intended NWS cost sharing formula.

Neither government is authorized to (1) incur obligations for the other government, (2) modify the other government's obligations or (3) expend the funds of the other government, without the prior written agreement of the other government.

Each government will retain ownership of all equipment and transportable facilities which it funds.

The Canadian and the United States NWS program offices will adhere to the following:

A Joint Senior Review Council will be established to monitor and, where necessary, direct the overall project management process. The Council will be co-chaired by NDHQ/DGCEEM from Canada and ESD Deputy Commander Strategic Systems from the United States. The Council will be the forum for referral of problems encountered by the Project Managers which are beyond their authority to resolve.

The Canadian and the United States Project Managers will develop a Statement of Agreement (SOA) which details their respective objectives, their separate responsibility charters and their consultation and co-ordinating relationships. This document will also contain the structure and membership of any joint project working group formed to facilitate implementation of this project.