

2. Plans

In order to safeguard Canadian interests, the detailed plans, description of the route and access roads, and specifications of the pipeline will require the approval of the appropriate Canadian authorities in advance of construction, and Canadian officials shall have the right of inspection during construction.

3. Tenure

It is mutually agreed that the common defense interests of the two countries will require continuance of the pipeline for a minimum period of twenty years. At the expiration of this period, in the event that either Government wishes to discontinue the arrangement, the question of continuing need will be referred to the Permanent Joint Board on Defense. In considering the question of need, the PJBD will take into account the relationship of the pipeline and related facilities to the defense installations in Alaska. Following consideration by the PJBD as provided above, either Government may terminate the arrangement, in which case that Government shall give due consideration in any subsequent operation of the pipeline to the defense needs of the other country.

4. Title

Ownership of the pipeline and auxiliary installations shall remain with the United States pending any termination of the arrangement pursuant to paragraph 3, at which time the United States may remove the pipeline from the right-of-way, restoring the right-of-way to its original condition as far as it is practicable and reasonable so to do in the opinion of Canada. Such removal of the pipeline and restoration of the right-of-way shall be completed within two years of the effective date of the termination of the arrangement.

5. Use of the Pipeline to Meet Canadian Requirements

The United States will connect the Haines-Fairbanks pipeline to the three-inch Whitehorse-Fairbanks pipeline at a point near Haines Junction. The United States will permit additional connections to be made to both the Haines-Fairbanks and the three-inch pipeline within Canada on reasonable terms and conditions as shall be mutually agreed upon. For the period of operation by the United States of the Haines-Fairbanks pipeline, the United States, if requested by Canada, will continue to operate and maintain the three-inch pipeline between the point of connection referred to above and Whitehorse. In the operation of both the Haines-Fairbanks pipeline, and the three-inch pipeline between the point of connection and Whitehorse, and the storage facilities at Whitehorse the United States undertakes:

(a) to give assurance of equal consideration to Canadian defense requirements with those of the United States;

(b) to make available at the request of Canada, on reasonable terms to be mutually agreed upon, the use of these installations to meet Canadian civil needs as military requirements permit.

6. Understanding regarding Disposition of Title to Rights in Existing Pipelines in Northern British Columbia and Yukon Territory

Nothing in this agreement shall add to, or subtract from, the existing agreements between Canada and the United States regarding the disposition of existing pipelines (see below) except as provided in paragraphs 5 and 7 of this agreement.