### ANNEX

TERMS AND CONDITIONS GOVERNING THE ESTABLISHMENT, MAINTENANCE AND OPERATION OF A LORAN-C STATION AND ITS ASSOCIATED MONITOR CONTROL STATION IN NEWFOUNDLAND

### 1. Cooperating Agencies

The project shall be conducted by Cooperating Agencies designated by each Government. On the part of the Government of the United States of America the Cooperating Agency will be the United States Coast Guard, (hereinafter referred to as U.S.C.G.) and on the part of the Government of Canada the Cooperating Agency will be Department of Transport, (hereinafter referred to as D.O.T.). Either Government may change the designation of its Cooperating Agency by means of a notice in writing to the other Government.

#### 2. Site Selection

The LORAN-C Transmitting Station and the LORAN-C Monitor Control Station shall be constructed in the Province of Newfoundland, at sites to be selected by mutual agreement of the Cooperating Agencies.

## 3. Land Acquisition

Land required as sites for the stations shall be acquired by the D.O.T. and ownership shall be vested in the Crown, in right of Canada.

# 4. Station Operation

The D.O.T. shall be responsible for operation of the stations, it being under stood that the stations constitute two elements of an operational LORAN-C System, and, consequently, will be operated in accordance with the requirements of that system. Management and staffing of the station will be a responsibility of the D.O.T. United States personnel may be located at the station for assistance, training and liaison purposes. Canadian personnel may similarly be assigned to existing U.S. operated LORAN-C stations or to established U.S. training stations for familiarization, training, or liaison.

U.S.C.G. personnel located at the Newfoundland Station in accordance with the preceding paragraph, may for administrative purposes, be regarded as members of the U.S.C.G. detachment at Argentia.

## 5. Financing

(a) All capital and operation costs of the project shall be borne by the United States. It is understood that the U.S.C.G. will, in so far as practicable with regard to the technical direction of the overall project, make every effort to utilize Canadian labor and materials to the maximum extent feasible in establishment and operation of the station. This intention will be further specified in agreements between the two Cooperating Agencies.

(b) The rates of pay and working conditions for labor will be established after consultation with the Canadian Department of Labour in accordance with

the Canadian Fair Wages and Hours of Labour Act of 1935.