

ANNEX

AGREEMENT BETWEEN THE UNITED STATES OF AMERICA AND THE GOVERNMENT OF CANADA CONCERNING FINANCIAL ARRANGEMENTS FOR THE FURNISHING OF CERTAIN SUPPLIES AND SERVICES TO NAVAL VESSELS**ARTICLE I**

Where routine port services such as pilotage, tugs, garbage disposal, line handling, etc. are maintained by a naval authority of one of the Governments, they will be furnished to visiting naval vessels of the other Government without charge. At ports where there is a naval authority but no such facilities are maintained, the resident naval authority will organize the necessary services for visiting naval vessels of the other Government and, if requested, will pay for the services and either recover costs in cash from the visiting naval vessel or obtain signatures on documents for reimbursement.

ARTICLE II

Miscellaneous supplies, such as fuel, provisions, spare parts and general stores, will be furnished by each of the Governments to visiting naval vessels of the other Government on a reimbursable basis without an advance of funds, on the condition that such miscellaneous supplies are available in the naval supply system of the host Government.

ARTICLE III

Services, such as overhauling, repairs, alterations, and installation of equipment, together with supplies incidental thereto, will be furnished by each of the Governments to visiting naval vessels of the other Government when funds to cover the estimated cost of such supplies and services have been made available in advance by the benefiting Government, on the condition that such supplies are available in the naval supply system of the host Government or readily obtainable from commercial sources.

ARTICLE IV

Supplies which are distinctive to the naval service of the host Government, and supplies which have been duly classified under applicable security regulations of such naval service, shall not be required to be furnished under the terms of this Agreement.

ARTICLE V

(a) Cost of services to be furnished in accordance with Article I of this Agreement will be reimbursed to the host Government at the standard rate prescribed for use within the naval service of the host Government. In the absence of a standard rate, such costs will be reimbursed to the host Government in full, including the cost of labour, material and overhead incurred by the naval authority performing the services. Costs of services to be performed in accordance with Article III of this Agreement will be reimbursed to the host Government in full, including the cost of labour, material and overhead incurred by the naval authority performing the services, plus charges covering the cost of military pay and allowances and depreciation of machinery and equipment. If such services covered by either Article I or Article III above are obtained commercially, reimbursement will be made in the amount of the contract cost to the host Government.