

4. Item 9 - Public Works Canada and Consultant Fees (\$16,000)

The CCG shall pay the cost of this item.

5. Item 10

The USCG shall pay for any consultant it engages to conduct an analysis on power and air conditioning.

6. Incremental Annual Operations and Maintenance Costs (\$179,000)

(a) The USCG and CCG shall jointly establish a cost base for the incremental Operations and Maintenance costs respecting 3, 4, 6, and 7 set out in Table 1.

(b) Subject to paragraph (c), the cost base for the period April 1, 1990 to March 31, 1992 is \$179,000.

(c) For the period April 1, 1991 to March 31, 1992, the cost base shall be increased in accordance with prevailing inflation factors, as determined by Statistics Canada for the period.

(d) On or before January 31, 1992, the USCG and the CCG shall set a cost base applicable for a further period of two years commencing April 1, 1992 and thereafter for such further periods of two years as may be agreed between the two cooperating agencies provided that such cost bases shall, during the second year of any such period, be increased in accordance with the relevant inflation factors for the period as determined by Statistics Canada.

(e) Incremental Operations and Maintenance costs shall be shared equally between the USCG and the CCG.

(f) The USCG shall pay its share of the incremental Operations and Maintenance costs to the CCG annually as soon as practicable following receipt of funds by the U.S. Coast Guard from the Federal Aviation Administration for operating Loran-C stations to meet civil aviation requirements.

(g) The USCG shall provide and install a communications multiplexer that will eliminate the need for one existing circuit within Canada.

(h) CCG shall assume the functions of Coordinator of Chain Operations (COCO) for the Canadian West Coast Chain. USCG shall provide all training and equipment to the CCG in order to enable it to perform the COCO function under the current USCG/CCG agreement.