

3. *Construction and Procurement*

(a) Canadian contractors shall be extended equal consideration with United States contractors in the awarding of construction contracts, and Canadian and United States contractors shall have equal consideration in the procurement of materials, equipment and supplies in either Canada or the United States;

(b) Contractors awarded a contract for construction in Canada shall be required to give preference to qualified Canadian labour for such construction. The rates of pay and working conditions for this labour will be set after consultation with the Canadian Department of Labour in accordance with the Canadian Fair Wages and Hours of Labour Act.

4. *Canadian Law*

Nothing in this Agreement shall derogate from the application of Canadian law in Canada, provided that, if in unusual circumstances its application may lead to unreasonable delay or difficulty in construction or operation, the United States authorities in seeking appropriate alleviation. In order to facilitate the rapid and efficient construction of the pipeline, Canadian authorities will give sympathetic consideration to any request submitted by United States Government authorities.

5. *Leased Bases Agreements*

Nothing in this Agreement shall derogate from the rights of the United States as granted in the Agreement of March 27, 1941, between the Governments of the United Kingdom and the United States of America relating to the bases leased to the United States of America, and subsequent agreements between Canada and the United States concerning these bases.

6. *Period of Operation of the Pipeline*

The United States may operate the pipeline for a minimum period of twenty years commencing from the date when this Agreement comes into force. At any time after 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 Defence. In considering the question of need the PJBD will take into account the relationship of the pipeline and related facilities to the operation of Pepperrell Air Force Base. Following consideration by the PJBD as provided above, either Government may on one year's notice terminate the arrangement, in which case the arrangements shown in paragraphs 8 and 9 below regarding ownership and disposition of the installations shall apply.

7. *Title*

Ownership of the pipeline and auxiliary installations shall remain with the United States pending any termination of the arrangement pursuant to paragraph 6, 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 to do so in the opinion of Canada. Such removal of the pipeline and restoration of the right-of-way shall be completed within one year of the effective date of termination of the arrangement. Any portion of the pipeline which is not removed, by reason of a Canadian determination that it was not practicable or reasonable to remove such portion, shall be disposed of in accordance with the terms of paragraph 8.