ANNEX

STATEMENT OF CONDITIONS TO GOVERN THE AUGMENTATION OF COMMUNICATIONS FACILITIES AT CAPE DYER, BAFFIN ISLAND

Construction

Procedures for awarding contracts for construction of the Cape Dyer facilities and for the procurement of construction equipment, construction supplies and related technical services shall be determined by agreement between appropriate agencies of the two governments. Rates of pay and working conditions will be set after consultation with the Canadian Department of Labor, in accordance with the Canadian Fair Wages and Hours of Labor Act.

Telecommunications

(a) The United States military authorities shall obtain the approval of the Canadian Department of Transport for the establishment and operation of radio stations associated with this project, and shall establish and operate stations so approved in accordance with the terms of licenses issued by the Department of Transport. To enable this action to be taken, appropriate license applications are to be forwarded, through Canadian military channels, to the Department of Transport. That Department will require complete technical data concerning the radio stations, including desired frequency assignments, power, class of emission, bandwidth, number and capacity of circuits, particulars of antenna structures and their marking and lighting, and details of proposed sites. The licenses subsequently issued will include a proviso requiring that nonmilitary traffic may only be handled subject to the approval of the Minister of Transport.

(b) The United States Government agrees that ownership of the facilities in Canada will not be transferred without approval of the Canadian Government. There may be conditions under which Canada would wish to negotiate with the United States for ownership of the installations in Canada, such as a situation in which the system was being used to carry a substantial volume of non-military traffic to and from Canada.