

Sir,

I have the honour to refer to your Note of today's date concerning procurement procedures designed to implement the provisions of the Agreement between Canada and the United States of America on Principles Applicable to a Northern Natural Gas Pipeline, signed at Ottawa on September 20, 1977.

I have the honour to inform you that these proposals are acceptable to the Government of Canada, and to confirm that your Excellency's Note, together with the attached statement on Procedures Governing the Procurement in Canada and the United States of America of Certain Designated Items for the Alaska Highway Gas Pipeline, and this reply, which is equally authentic in English and French, shall constitute an agreement between our two governments which shall enter into force on the date of this reply.

Accept, Sir, the renewed assurances of my highest consideration.

The Secretary of State
Washington, D.C.