

It is the view of the United States Government that it has no legal obligation under current United States and international law to reimburse the costs of environmental clean-up at the four former military installations described above. Nevertheless, because the remediation in question concerns work that would ordinarily have been conducted by United States forces at the four installations in Canada prior to their closure, the United States Government shall make an ex gratia settlement in the sum of \$100 million (constant-year 1995-1996 United States dollars). It would be the United States Government's intent to place funds equalling this amount in the Canadian Foreign Military Sales Trust Account over a ten-year period commencing in U.S. fiscal year 1998.

In the absence of legislative authority, the United States Government's ex gratia offer must necessarily be subject to the obtaining of specific legislative authority from the United States Congress. Such Congressional action (i.e., authorizations and appropriations) lies within the discretion of the Congress. Nevertheless, the United States Government undertakes to seek such legislative authority at an early date.

The points of contact for implementation of this Agreement shall be the Principal Assistant Deputy Under Secretary of Defense for Environmental Security for the Government of the United States of America, and the Assistant Deputy Minister, Infrastructure and Environment, Department of National Defense for the