

No. 3632

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**UNITED STATES OF AMERICA  
and  
CANADA**

**Exchange of notes (with annex) constituting an agreement relating to the establishment of a petroleum products pipeline in Newfoundland. Ottawa, 22 September 1955**

*Official text: English.*

*Registered by the United States of America on 18 December 1956.*

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**ÉTATS-UNIS D'AMÉRIQUE  
et  
CANADA**

**Échange de notes (avec annexe) constituant un accord relatif à la création à Terre-Neuve d'un pipe-line pour les produits pétroliers. Ottawa, 22 septembre 1955**

*Texte officiel anglais.*

*Enregistré par les États-Unis d'Amérique le 18 décembre 1956.*

No. 3632. EXCHANGE OF NOTES CONSTITUTING AN AGREEMENT<sup>1</sup> BETWEEN THE UNITED STATES OF AMERICA AND CANADA RELATING TO THE ESTABLISHMENT OF A PETROLEUM PRODUCTS PIPELINE IN NEWFOUNDLAND. OTTAWA, 22 SEPTEMBER 1955

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I

*The Canadian Secretary of State for External Affairs to the American Ambassador*

DEPARTMENT OF EXTERNAL AFFAIRS  
CANADA

No. D. L. 231

The Secretary of State for External Affairs presents his compliments to His Excellency the Ambassador of the United States of America and has the honour to refer to the Ambassador's Note No. 253 of June 9, 1955,<sup>2</sup> concerning a proposal by the United States Government to construct a petroleum products pipeline between the United States Air Force dock at St. John's and Pepperrell Air Force Base in Newfoundland.

The Canadian Government is pleased to approve this project, subject to the conditions annexed to this Note. If these conditions are acceptable to the United States Government, it is suggested that this Note and the Ambassador's reply should constitute an agreement effective from the date of the reply.

L. B. P.

Ottawa, Ontario, September 22, 1955

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<sup>1</sup> Came into force on 22 September 1955 by the exchange of the said notes.

<sup>2</sup> Not printed by the Department of State of the United States of America.

## ANNEX

STATEMENT OF CONDITIONS TO GOVERN THE ESTABLISHMENT OF  
A PETROLEUM PRODUCTS PIPELINE FROM THE UNITED STATES  
AIR FORCE DOCK AT ST. JOHN'S, NEWFOUNDLAND, TO PEPPERRELL  
AIR FORCE BASE, NEWFOUNDLAND

(In this Statement of Conditions, unless the context otherwise requires, "Canada" means the Government of Canada and "United States" means the Government of the United States of America.)

1. *Right-of-way*

All land or interest in land required for the right-of-way of the pipeline and appurtenances, and for access roads, will be acquired by and remain in the title of Canada. Canada grants and assures to the United States, without charge, such rights of access, use, and occupancy as may be required for the construction and operation of the pipeline, subject to the following :

- (a) The Minister of Public Works of the Province of Newfoundland, or the Corporation of the City of St. John's for that part of the pipeline within the city limits, may require the United States Government to relocate the pipeline to facilitate the construction, reconstruction or relocation of any work, provided, however, that the cost of relocation shall be borne by the Government of Newfoundland or the City of St. John's, as appropriate, and provided further that such relocation will not unreasonably interfere with or impede essential military operations or maintenance of the pipeline.
- (b) The Minister of Public Works of the Province of Newfoundland, or the Corporation of the City of St. John's for that part of the pipeline within the city limits, may require that permission be granted for construction upon, along or across the pipeline, of any highway, private road, railway, drain, telegraph, telephone or electric power line or any pipeline, provided such construction will not unreasonably interfere with or impede essential military operations or maintenance of the pipeline.
- (c) After this Agreement has been in force for ten years, it shall be open to the Government of the Province of Newfoundland to propose that the United States, at its cost, bury the unburied portion of the pipeline, or any part thereof, if in the opinion of the Government of Newfoundland it is necessary and important for, or by reason of, the safety or development of the adjoining areas. If such a proposal is made by the Government of Newfoundland, it shall be discussed between the Governments of Newfoundland, Canada and the United States. Following such discussion, it shall be open to the Government of Newfoundland to require the United States, on one year's notice, to execute the proposal, subject to the right of the United States to terminate this agreement pursuant to paragraph 6 hereof.

2. *Plans*

The detailed plans, description of the route and access roads, and specifications of the pipeline shall be supplied to the appropriate Canadian authorities. They shall

also be submitted to, and will require the approval of, the appropriate authorities of the Government of Newfoundland and the City of St. John's. Canadian officials shall have the right of inspection during construction.

### 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 concerned may request the assistance of Canadian 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,<sup>1</sup> 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 Peppercell 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.

<sup>1</sup> League of Nations, *Treaty Series*, Vol. CCIV, p. 15; also United Nations, *Treaty Series*, Vol. 88, p. 273, and Vol. 174, p. 267.

### 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.

### 8. *Excess Property*

Disposal of United States excess property in Canada in connection with the construction or operation of the pipeline shall be carried out in accordance with the provisions of the Exchange of Notes of April 11 and 18, 1951,<sup>1</sup> between the Secretary of State for External Affairs and the United States Ambassador in Ottawa, concerning the disposal of excess property.

### 9. *Canadian Immigration and Customs Regulations*

Canada will take the necessary steps to facilitate the admission into the territory of Canada of such United States citizens as may be employed on the construction of the pipeline, it being understood that the United States will undertake to repatriate, at no expense to Canada, any such persons if the contractors fail to do so.

### 10. *Taxes*

The Canadian Government will grant remission of customs duties and excise and sales taxes in connection with the construction and operation of the pipeline in accordance with the provisions of Article XIV of the Leased Bases Agreement of 1941 as modified by the provisions with respect to such exemptions in the Annex to Note No. 109 of February 13, 1952,<sup>2</sup> from the Canadian Ambassador in Washington to the Acting Secretary of State of the United States of America.

### 11. *Status of Forces*

The "Agreement between the Parties to the North Atlantic Treaty regarding the Status of their Forces", signed in London on June 19, 1951,<sup>3</sup> shall apply.

### 12. *Supplementary Arrangements and Administrative Agreements*

Supplementary arrangements or administrative agreements between authorized agencies of the two Governments may be made from time to time for the purpose of carrying out the intent of this agreement.

<sup>1</sup> United Nations, *Treaty Series*, Vol. 134, p. 205.

<sup>2</sup> United Nations, *Treaty Series*, Vol. 174, p. 268.

<sup>3</sup> United Nations, *Treaty Series*, Vol. 199, p. 67, and Vol. 200, p. 340.

## II

*The American Ambassador to the Canadian Secretary of State for External Affairs*

## THE FOREIGN SERVICE OF THE UNITED STATES OF AMERICA

No. 75

The Ambassador of the United States of America presents his compliments to the Secretary of State for External Affairs and has the honor to acknowledge the latter's Note DL-231 of September 22, 1955, conveying the Canadian Government's approval of a proposal by the United States Government to construct a petroleum products pipeline between the United States Air Force dock at St. John's and Pepperrell Air Force Base in Newfoundland, subject to the conditions annexed to that Note.

The Ambassador is authorized to state that these conditions are acceptable to the United States Government and to agree that Mr. Pearson's Note and this reply constitute an agreement effective from this date.

T. T.

Embassy of the United States of America  
Ottawa, September 22, 1955

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