

No. 14929

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**UNITED KINGDOM OF GREAT BRITAIN  
AND NORTHERN IRELAND  
and  
FRANCE**

**Exchange of notes constituting an agreement relating to the  
abandonment of the Channel Tunnel Project (with  
annex). Paris, 24 June 1975**

*Authentic texts: English and French.*

*Registered by the United Kingdom of Great Britain and Northern Ireland  
on 27 July 1976.*

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**ROYAUME-UNI DE GRANDE-BRETAGNE  
ET D'IRLANDE DU NORD  
et  
FRANCE**

**Échange de notes constituant un accord concernant l'aban-  
don du projet de tunnel sous la Manche (avec annexe).  
Paris, 24 juin 1975**

*Textes authentiques : anglais et français.*

*Enregistré par le Royaume-Uni de Grande-Bretagne et d'Irlande du Nord  
le 27 juillet 1976.*

EXCHANGE OF NOTES CONSTITUTING AN AGREEMENT<sup>1</sup> BETWEEN THE GOVERNMENT OF THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND AND THE GOVERNMENT OF THE FRENCH REPUBLIC RELATING TO THE ABANDONMENT OF THE CHANNEL TUNNEL PROJECT

ÉCHANGE DE NOTES CONSTITUANT UN ACCORD<sup>1</sup> ENTRE LE GOUVERNEMENT DU ROYAUME-UNI DE GRANDE-BRETAGNE ET D'IRLANDE DU NORD ET LE GOUVERNEMENT DE LA RÉPUBLIQUE FRANÇAISE CONCERNANT L'ABANDON DU PROJET DE TUNNEL SOUS LA MANCHE

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*Her Majesty's Ambassador at Paris to the Minister for Foreign Affairs of France*

Paris, 24 June 1975

Your Excellency,

I have the honour to refer to

- (a) the Exchange of Notes relating to the Channel Tunnel Project (hereinafter referred to as "the Project") signed at Chequers on 17 November 1973<sup>2</sup> between the Government of the United Kingdom of Great Britain and Northern Ireland and the Government of the French Republic (hereinafter referred to as "the Governments"); and
- (b) the Agreements of 17 November 1973<sup>2</sup> relating to the Project (hereinafter referred to as "Agreements No. 2") which were, respectively, made by Her Majesty's Secretary of State for the Environment with The British Channel Tunnel Company Limited and la Société Française du Tunnel sous la Manche (hereinafter referred to as "the Companies") and by the Government of the French Republic with the Companies.

The Treaty of 17 November 1973<sup>2</sup> relating to the Project not having been ratified within the period foreseen by Agreements No. 2, the Project was, under those Agreements, regarded as having been abandoned by the Governments on 21 January 1975; but the Governments agreed that expenditure incurred in carrying out certain work at the request of the Governments during the period 21 January to 27 January 1975 inclusive would be regarded as having been incurred in respect of the Project before its abandonment.

Having regard to the foregoing, the Government of the United Kingdom of Great Britain and Northern Ireland proposes that the undertaking by the Governments in the said Exchange of Notes to share equally the cost of abandoning

<sup>1</sup> Came into force on 24 June 1975, the date of the note in reply, in accordance with the provisions of the said notes.

<sup>2</sup> United Nations, *Treaty Series*, vol. 910, p. 49.

<sup>1</sup> Entré en vigueur le 24 juin 1975, date de la note de réponse, conformément aux dispositions desdites notes.

the Project should be finally implemented in the manner prescribed by the Annex to this Note and that the Annex should also regulate as between the Governments the other matters consequential upon the abandonment of the Project.

If the foregoing proposals are acceptable to the Government of the French Republic, I have the honour to propose that this Note, of which the Annex shall form an integral part, and Your Excellency's reply in that sense shall constitute an Agreement between the Governments which shall enter into force on the date of Your Excellency's reply.

I avail myself of this opportunity to renew to Your Excellency the assurance of my highest consideration.

E. E. TOMKINS

#### A N N E X

1. (1) Each Government accepts exclusive responsibility for purchasing, in pursuance of paragraph 6.2.9 (i) of Agreements No. 2, all the shares of the Company of its nationality, but the aggregate cost of purchasing the shares of the two Companies shall be shared equally by the Governments in accordance with the following provisions of this paragraph.

(2) If the price paid by one Government for the shares of the Company of its nationality exceeds the price so paid by the other Government, the other Government shall, not later than thirty days after the date on which the purchase of the shares of both Companies shall have been completed (hereinafter referred to as "the final purchase date"), pay to the first-mentioned Government an amount equal to half of the excess calculated in the currency of the first-mentioned Government.

(3) In ascertaining for the purpose of sub-paragraph (2) above whether the price paid by one Government for the shares of the Company of its nationality exceeds the price so paid by the other Government and the amount of any such excess the rate of exchange between sterling and French francs which shall be applied shall be the average of the daily rates prevailing on the London and Paris Exchanges during the period from 21 March 1975 to the final purchase date inclusive.

(4) For the purposes of sub-paragraphs (2) and (3) above, the directors' qualification shares of la Société Française du Tunnel sous la Manche shall not be taken into account in calculating the price paid by the French Government for the shares of that Company, and the date of the acquisition of the said directors' qualification shares shall not be taken into account in determining the final purchase date.

2. (1) Each Government accepts exclusive responsibility for repaying, in pursuance of paragraph 6.2.1. (i) of Agreements No. 2, all Government Guaranteed Loans raised by the Company of its nationality and outstanding on 27 January 1975 with interest thereon accrued to the date of repayment.

(2) To the extent that the funds at the disposal of the Company of its nationality are not sufficient to discharge the obligations duly incurred by that Company in respect of the Project before 28 January 1975 (including cancellation costs in respect of running contracts), each Government accepts exclusive responsibility for financing, in pursuance of paragraph 6.2.1. (ii) (b) of Agreements No. 2, the discharge of such obligations by whatever means it sees fit.

3. (1) The Governments shall, in accordance with the following provisions of this paragraph, share equally the cost of the aggregate of the qualifying expenditure incurred by the Governments and the Companies before 1 January 1976, reduced by the aggregate of the share capital raised by the Companies.

- (2) For the purposes of this paragraph qualifying expenditure shall consist of:
- (a) payments duly made by either Company, or by either Government on behalf of either Company, for work done, services performed or assets acquired in connection with the Project before 28 January 1975 other than payments made in respect of the purchase of land or of either of the two principal tunnelling machines or spare parts therefor;
  - (b) to the extent prescribed in the case of each contract by column 4 of the Schedule to this Annex, payments made as aforesaid for work done after 27 January 1975 under the contracts mentioned in that Schedule and payments so made of charges in respect of the cancellation of such contracts;
  - (c) payments of interest duly made by either Company to its shareholders in respect of the period before 21 January 1975 in pursuance of paragraphs 4.6.1 and 4.6.2 of Agreements No. 2;
  - (d) payments of interest accruing before 28 January 1975 on Government Guaranteed Loans;
  - (e) payments duly made by either Company, or by either Government on behalf of either Company, to defray the cost of carrying on the Company's business up to and including 27 January 1975;
  - (f) any payment made by the French Government in acquiring the directors' qualification shares of la Société Française du Tunnel sous la Manche.

(3) Any balancing payments due from one Government to the other under this paragraph shall be effected by an interim settlement as provided by sub-paragraph (4) below and a final settlement as provided by sub-paragraph (5) below.

(4) If the amount of the qualifying expenditure incurred by one Government and the Company of its nationality before 1 August 1975, when reduced by an amount equal to the share capital raised by that Company, exceeds the amount of the qualifying expenditure so incurred by the other Government and the Company of its nationality reduced as aforesaid, the other Government shall not later than 30 September 1975 pay to the first-mentioned Government a sum equal to half of the excess, calculated in the currency of the first-mentioned Government. For the purpose of ascertaining whether there is such an excess and the amount thereof the rate of exchange between sterling and French francs which shall be applied shall be the average of the daily rates prevailing on the London and Paris Exchanges during the month of July 1975.

(5) If the amount of the qualifying expenditure incurred by one Government and the Company of its nationality during the period from 1 August to 31 December 1975 inclusive exceeds the amount of the qualifying expenditure so incurred by the other Government and the Company of its nationality, the other Government shall not later than 28 February 1976 pay to the first-mentioned Government a sum equal to half of the excess calculated in the currency of the first-mentioned Government. For the purpose of ascertaining whether there is such an excess and the amount thereof the rate of exchange between sterling and French francs which shall be applied shall be the average of the daily rates prevailing on the London and Paris Exchanges during the month of December 1975.

4. Each Government shall make available to the other Government any documents and information in its possession or control, and any accountants' reports thereon, the disclosure of which to the other Government is necessary for the purpose of enabling the Governments to determine the amounts due from one to the other under the preceding paragraphs.

5. (1) Each Government shall take such measures as are appropriate to maintain the civil engineering works that have been carried out in its territory ("the Tunnel works") in a condition in which they could be brought into use if the Project were to be revived; and neither Government shall, without first consulting the other, carry out

or cause to be carried out any other work of a physical nature which might prejudice the bringing into use of the Tunnel works in such circumstances.

(2) Each Government shall allow the other Government to have free access to documents, information and geological samples in its possession or control, or in the possession or control of the Company of its nationality, the cost of the production or acquisition of which is a qualifying expenditure as defined by paragraph 3 above; but such right of access shall be without prejudice to any industrial or intellectual property rights. Neither Government shall, without first consulting the other, destroy or dispose of, or permit the Company of its nationality to destroy or dispose of, any such documents, information or samples or assign, or permit the Company of its nationality to assign, any industrial or intellectual property rights relating thereto.

(3) Subject as aforesaid, each Government shall have the right to dispose of any of the physical assets of the Company of its nationality in such a way as it sees fit and without making any payment to the other Government notwithstanding that the cost of acquiring or producing such assets is qualifying expenditure within the meaning of paragraph 3 above.

6. Except as provided by this Annex neither Government shall have any liability whatsoever to the other Government in respect of the Project or the abandonment thereof.

7. In this Annex:

—references to the Company of a Government's nationality are references in the case of the British Government to the British Channel Tunnel Company Limited and in the case of the French Government to la Société Française du Tunnel sous la Manche;

—“Government Guaranteed Loans” means loans (including bank credits) duly raised in connection with the Project by either of the Companies the repayment of the principal of which, and the payment of interest on which, is guaranteed by either of the Governments.

## SCHEDULE

## Contracts referred to in paragraph 3 (2) (b)

<i>Contract No.</i> 1	<i>Subject of contract</i> 2	<i>Other party to contract</i> 3	<i>Payments which are qualifying expenditure</i> 4
<b>A. Contracts let by The British Channel Tunnel Company Limited</b>			
41.1025	Aerial survey and maps	Meridian Air Maps Ltd.	Payment for the preparation of a report on the work done before 28 January 1975.
41.1031	Installation and maintenance of anemometer	Hayward and Paramor Ltd.	Payment for dismantling the equipment.
41.1050	Wind tunnel tests on model—Portal Area, Cheriton	National Physical Laboratory	Payment for the preparation of a report on the work done before 28 January 1975.
41.1055	Lorry loading trials	Motor Industry Research Association	Payment of cancellation charges and payment for the preparation of a report on the work done before 28 January 1975.
41.1084	Water analysis—Seabrook stream	South Eastern Laboratory Ltd.	Payment of cancellation charges.
41.1092	Lining design—Joint tests	Cement and Concrete Association	Payment of cancellation charges.
42.1035	Economic and commercial studies	Coopers and Lybrand Associates Ltd.	Payment of cancellation charges.
61.1010	Engineering design services	Building Design Partnership	Payment of cancellation charges and payment for the preparation of a report on the work done before 28 January 1975.
61.1067	Electricity supplies	Central Electricity Generating Board	Payment for the preparation of a report on the work done before 28 January 1975.
61.1090	Overhead line equipment, traction supply	British Railways Board	Payment for the preparation of a report on the work done before 28 January 1975.
61.1091	Railway Operational Advice	British Railways Board	Payment for the preparation of a report on the work done before 28 January 1975.
10.1001	Access and service tunnel	Cross Channel Contractors Ltd.	Agreed sum representing cancellation charges in respect of the manufacture and supply of tunnel linings.
61.1009	Engineering services	Mott, Hay and Anderson	Agreed sum representing charges for the preparation of reports on the work done before 28 January 1975.

**B. Contracts let by La Société Française du Tunnel sous la Manche**

10.4005	Manufacture of tunnel linings	Pont-à-Mousson	Payment of cancellation charges.
41.6136	Soil compressibility tests	Beugnet	Payment of cancellation charges and payment for site restoration.
41.6107	Triaxial creep tests	Seil	Payment for completion of tests and preparation of a report.
41.6128	Trials of composite linings	C.E.B.T.P.	Payment of cancellation charges and payment for the preparation of a report on the work done before 28 January 1975.
41.6089 } 42.6089 }	Interface studies with SITUMER	SETEC—Economie	Payment of cancellation charges and payment for the preparation of a report on the work done before 28 January 1975.
42.6084	Economic studies	SETEC—Economie	Payment of cancellation charges and payment for the preparation of a report on the work done before 28 January 1975.
42.6119	Financial studies	SETEC—Economie	Payment of cancellation charges and payment for the preparation of a report on the work done before 28 January 1975.
61.4000	Technical studies (civil engineering, terminal and general installations)	SITUMER	Payment for the preparation of reports on the work done before 28 January 1975 exclusive of all cancellation charges.

[TRANSLATION<sup>1</sup> — TRADUCTION<sup>2</sup>]

*The Minister for Foreign Affairs of France to Her Majesty's Ambassador at Paris*

MINISTRY OF FOREIGN AFFAIRS  
PARIS

24 June 1975

Monsieur l'Ambassadeur,

I have the honour to acknowledge receipt of your note of today's date, which in the French translation reads as follows:

[*See note I*]

I have the honour to confirm that the Government of the French Republic agrees to these proposals.

Please accept, Monsieur l'Ambassadeur, the assurance of my high consideration.

J. SAUVAGNARGUES

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<sup>1</sup> Translation supplied by the Government of the United Kingdom.

<sup>2</sup> Traduction fournie par le Gouvernement du Royaume-Uni.