

No. 3955

**UNITED STATES OF AMERICA
and
CANADA**

Exchange of notes (with enclosed copy of a proposed contract) constituting an agreement relating to the construction and operation of housing units at Pepperrell Air Force Base, St. John's, Newfoundland. Ottawa, 18 and 19 April 1956

Official text : English.

Registered by the United States of America on 26 July 1957.

**ÉTATS-UNIS D'AMÉRIQUE
et
CANADA**

Échange de notes (avec, en annexe, un projet de contrat) constituant un accord relatif à la construction et à la gestion d'un groupe d'habitations à la base aérienne de Pepperrell (Saint-Jean de Terre-Neuve). Ottawa, 18 et 19 avril 1956

Texte officiel anglais.

Enregistré par les États-Unis d'Amérique le 26 juillet 1957.

No. 3955. EXCHANGE OF NOTES CONSTITUTING AN AGREEMENT¹ BETWEEN THE UNITED STATES OF AMERICA AND CANADA RELATING TO THE CONSTRUCTION AND OPERATION OF HOUSING UNITS AT PEPPERRELL AIR FORCE BASE, ST. JOHN'S, NEWFOUNDLAND. OTTAWA, 18 AND 19 APRIL 1956

I

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

No. 266

The Ambassador of the United States of America presents his compliments to the Secretary of State for External Affairs and has the honor to refer to informal conversations between representatives of the Canadian and United States Governments regarding the desire of the Northeast Air Command to arrange for the construction of family housing units at Pepperrell Air Force Base, St. John's, Newfoundland.

As explained in the discussions, the proposed installations will be located within the present boundaries of the Pepperrell Base, with the leasehold interest in all buildings and their installed equipment vesting in the United States. Accordingly, the development will constitute a United States Government project undertaken in accordance with the terms of the Leased Bases Agreement of March 27, 1941.²

The United States Government proposes to have the construction of this housing undertaken by a private contractor, in accordance with the guaranteed military family housing program of the United States Government. Designs and specifications, copies of which will be furnished to Canadian authorities upon request, will be drawn up by the United States Government and will be used as a basis for receiving bids from Canadian and United States contractors. The contract will be awarded to the contractor with adequate financial and technical resources who offers the best terms.

A copy of the proposed contract is attached,³ in order that interested Canadian authorities may have an opportunity to examine its terms. The Canadian Govern-

¹ Came into force on 19 April 1956 by the exchange of the said notes.

² League of Nations, *Treaty Series*, Vol. CCIV, p. 15.

³ See p. 8 of this volume.

ment will be consulted regarding any change which may be made in the contents of the contract prior to its signature by a prospective contractor. Such a procedure will be in keeping with the 1941 Agreement, which provides in the preamble that its terms shall be fulfilled in a "spirit of good neighborliness" and further anticipates, in other parts of its provisions, that there shall be constant cooperation between authorities of the two countries in exercising the terms of the Agreement.

In this regard, Article XXI of the 1941 Agreement provides a statement of procedure to be followed in the event that the United States should desire to abandon any portion of the base area and notes that the area abandoned would revert to the lessor (now the Government of Canada). While the United States has no present plans looking toward abandonment of any portion of the 99-year leased areas, the United States Government proposes that the Canadian Government permit the contractor of the housing project to continue his operation of the project for the full 20-year period granted to the contractor by the terms of the contract, in the event that the United States Government should abandon the area prior to the expiration of the twenty years.

During the total period of twenty years the contractor will be given the privilege of renting to tenants other than United States forces and their civilian components, only in the event that there are insufficient numbers of United States personnel to occupy the development, a condition which is not now contemplated, and provided that the Canadian Government is informed, for its approval, of other than United States personnel to be housed in the project.

With general regard to the proposed project, it is understood that the Canadian Government will not undertake to supply utilities and fire protection for the development in the event the United States should abandon the leased area. In the latter contingency, however, the Canadian Government would have the right to specify, on a priority basis, the tenants who might occupy the project.

The Ambassador proposes that this Note and the Secretary's reply thereto shall, as from the date of the reply, constitute an agreement between the two Governments.

Enclosure :

Contract, as stated.

The Embassy of the United States of America
Ottawa, April 18, 1956

DEFERRED PAYMENT FAMILY HOUSING PROGRAM

CONSTRUCTION, OPERATION, MAINTENANCE AND MANAGEMENT CONTRACT

This agreement entered into this _____ day of _____ 1955 by the United States of America (hereinafter referred to as the "Government"), represented by the Contracting Officer executing this instrument and _____ (hereinafter referred to as the "Construction Agent"), the said Construction Agent for the purpose of this agreement electing as domicile _____

WITNESSETH

WHEREAS, the Government pursuant to the Leased Bases Agreement of 1941-1948 maintains and operates a military installation at St. Johns, Newfoundland, known as Pepperrell Air Force Base, at or in the vicinity of which there exists an acute shortage of housing for families of personnel assigned to duty at or near such military installation, and

WHEREAS, provision of such housing, as an integral part of Pepperrell Air Force Base, is essential for its continued maintenance and operation, and

WHEREAS, the Government is authorized to finance the construction and operation of such housing by guarantee, indemnity or other participation,

NOW THEREFORE, under the authority contained in the Act of 14 July 1952 (Public Law 534, 82d Congress), and in consideration of the premises, it is mutually agreed as follows :

Article I

PROJECT SITE

The Government hereby makes available the lands necessary, within the confines of Pepperrell Air Force Base, to construct, operate, maintain and manage the subject housing project for a period of twenty (20) years to permit the Construction Agent to comply with the terms of this agreement. This period shall commence on the completion date as set forth in Article II of this agreement. The land available for utilization for this project by the Construction Agent on Pepperrell Air Force Base is as set forth in Annex "A", appended hereto.¹

The leasehold interest in such lands and improvements thereto will remain in the Government subject to this agreement and the provisions of the Leased Bases Agreement of 1941 and Supplements thereto by which Pepperrell Air Force Base is leased to the United States Government for a period of 99 years from the 17th day of June 1941 to the 16th day of June 2040 by the Government of the United Kingdom, the Government of Canada having succeeded the Government of the United Kingdom as Lessor.

¹ Not printed by the Department of State of the United States of America.

Article II

CONSTRUCTION OF PROJECT

1. The Construction Agent agrees to construct the housing project for the Government, comprised of 500 units referred to herein, in accordance with the appended plans and specifications (Annex "B"). There shall be no change made in the plans and specifications without prior consent, in writing, of the Contracting Officer. Construction shall be commenced within sixty (60) days of receipt of a Government letter of acceptability. The entire 500 units shall be fully livable, operational and complete in every detail as set forth in the plans and specifications within _____ () calendar months from the date of the execution and delivery of the executed copy of this agreement to the Construction Agent. In the event of any delay occasioned by the construction of Government facilities, an extension of completion date as determined by the contracting officer will be allowed the Construction Agent.

2. The Government will provide project site improvement and construction as delineated in detail on appended plans and specification under "Annex C".

3. Title to all construction material passes to the United States upon delivery to water carriers for shipment to Newfoundland.

Article III

MANAGEMENT

1. The Construction Agent covenants and agrees to operate, maintain and manage the project for a period of twenty (20) years following completion of the project in accordance with the provisions of Article II, and to lease all units of the project to such U. S. military and U. S. national civilian employees of the Government as are designated by an authorized representative of the Government, (hereinafter referred to as designated U. S. personnel). Such designation of military personnel to occupy units in the project shall not, however, be considered an assignment to government quarters under the provisions of 37 U. S. C. 252 (a).

2. *a.* In the event an authorized representative of the government shall authorize, in writing, the Construction Agent to rent units in the project to personnel other than U. S. military and U. S. national civilian employees of the Government (hereinafter referred to as undesignated personnel) during the initial ten (10) years following completion of this project, the Construction Agent shall make every effort to lease such units as they become vacant at rents no lower than those charged to designated U. S. personnel unless lower rents are authorized by the Government, plus an amount equal to any deferred taxes levied on the units pursuant to Article VIII(2). Undesignated personnel permitted to occupy units in the project will be subject to airbase rules and regulations set forth by the base commander of Pepperrell Air Force Base. Rental of quarters to undesignated personnel will be subject to the approval of an authorized representative of the Canadian Government for the duration of this agreement. The Canadian Department of National Defense shall have the right of first refusal on the rental of any units to undesignated personnel.

b. The Construction Agent shall notify the Government's authorized representative of all vacancies or notices of intention to vacate the rented units. If the Government's