



The Secretary of State for External Affairs
Canada

Ottawa, August 2, 1956.

Dear Madam,

In accordance with the provisions of Article IX of the Boundary Waters Treaty of January 11, 1909, the Governments of Canada and the United States have agreed to refer and do hereby refer to the International Joint Commission the following matters for joint examination and advisory report, including conclusions and recommendations:

a) It is desired that the Commission determine the estimated cost of developing the international tidal power potential of Passamaquoddy Bay in the State of Maine and the Province of New Brunswick, and determine whether such cost would allow hydro-electric power to be produced at a price which is economically feasible;

b) The Commission is requested to determine the effects, beneficial or otherwise, which such a power project might have on the local and national economies in the United States and Canada and, to this end, to study specifically the effects which the construction, maintenance and operation of the tidal power structures might have upon the fisheries in the area.

In the discharge of its responsibilities under this reference the Commission is requested to review and, in so far as is practicable, make advantageous use of existing reports and plans such as the Report of March 15, 1950, submitted by the International Passamaquoddy Engineering Board to the Commission and the supplemental report of May 1952 prepared by the United States Army Corps of Engineers on the details of estimate of cost of a comprehensive investigation of the Passamaquoddy tidal power project. Having regard to the foregoing, the Commission should determine the most desirable general project design from the viewpoint of the public interest in United States and Canada respectively - such design to include plans for structure and appurtenant works in sufficient detail to form the basis of dependable cost estimates and considerations of economic feasibility.

The Secretary, Canadian Section,
International Joint Commission,
Ottawa.

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In the conduct of its investigations, and otherwise in the performance of its duties under this reference, the Commission may utilize the services of specially qualified engineers and other experts of the technical agencies of the United States and Canada and will, so far as possible, make use of any pertinent data that may be available in such agencies or which may become available during the course of the investigations, thus avoiding duplication of effort and unnecessary expense.

The United States Government is willing subject to the availability of funds to incur costs in connection with this survey up to \$3 million, and the Canadian Government is willing to incur costs up to \$300,000. Each Government has the right to participate at its own expense in all aspects of the survey to an extent appropriate with its interests. In making administrative arrangements for the necessary surveys and studies, the Commission should give suitable effect to these responsibilities.

The costs incurred by the Governments of the United States and Canada respectively under this reference will be credited against the costs to be borne by each of the Governments in the event that the project should be constructed as a joint undertaking by the two Governments. The decision of the two Governments to refer this study to the Commission does not imply any commitment regarding the eventual construction of the project.

It is the desire of both Governments that the Commission endeavour to complete its various surveys, investigations, studies and other activities under the Reference within a three-year period. Upon completion, it is requested that the Commission prepare and submit to the Governments of the United States and Canada a comprehensive report covering the subject matter of this Reference. The Commission's report should include the details of the specific design, cost estimates and an estimate of the benefits to be derived or the losses to result from this project.

Yours sincerely,



Seen

John

2 Aug 1956