

No. 7689

**UNITED STATES OF AMERICA
and
SAUDI ARABIA**

Exchange of notes (with appendix II) constituting an agreement relating to the establishment of a television system in Saudi Arabia. Jidda, 9 December 1963 and 6 January 1964

Official text of the notes: English and Arabic.

Official text of the appendix: English.

Registered by the United States of America on 14 April 1965.

**ÉTATS-UNIS D'AMÉRIQUE
et
ARABIE SAOUDITE**

Échange de notes (avec appendice II) constituant un accord relatif à la création d'un réseau de télévision en Arabie Saoudite. Djeddah, 9 décembre 1963 et 6 janvier 1964

Textes officiels des notes: anglais et arabe.

Texte officiel de l'appendice: anglais.

Enregistré par les États-Unis d'Amérique le 14 avril 1965.

No. 7689. EXCHANGE OF NOTES CONSTITUTING AN AGREEMENT¹ BETWEEN THE UNITED STATES OF AMERICA AND SAUDI ARABIA RELATING TO THE ESTABLISHMENT OF A TELEVISION SYSTEM IN SAUDI ARABIA. JIDDA, 9 DECEMBER 1963 AND 6 JANUARY 1964

I

The American Ambassador to the Saudi Arabian Deputy Minister of Foreign Affairs

Jidda, 9 December 1963

Excellency :

I have the honor to refer to recent discussions concerning the plans of the Saudi Government to inaugurate television broadcast services.

I have been instructed by my Government to confirm that, pursuant to the request of the Saudi Government, and subject to the provisions hereof, the United States Government shall assume responsibility for contracting for the installation of television transmitting facilities, for the training of operating personnel and for the initial operation of the stations. The U.S. Army Corps of Engineers shall carry out these responsibilities on behalf of the United States Government.

The installations and their operation shall be based generally on the report of April 30, 1963, submitted to the Saudi Government by Mr. Edward W. Allen of the U.S. Federal Communications Commission entitled "Report on the Establishment of Television Broadcast Service in Saudi Arabia", a copy of which is appended hereto (Appendix I).² The U.S. Government shall first arrange for the design, construction, installation and operation of two temporary television stations, in Jidda and Riyadh, and for the training of appropriate Saudi personnel. Concurrently, it shall arrange for the design of the permanent stations. Subsequently it shall arrange for the construction and installation of the permanent stations and for their initial operation.

The Saudi Government shall make available in a timely manner all lands, easements and rights-of-way required for the entire project.

In accordance with the Saudi Government's request that the project be implemented as rapidly as possible, contracts for the design, supply of equipment, installation, operational and training aspects of the program shall be

¹ Came into force on 6 January 1964 by the exchange of the said notes.

² The text of this appendix was not included in the copies of the Agreement submitted for registration; according to information provided by the United States of America, the Government of the United States of America does not consider it as constituting an integral part of the Agreement.

negotiated with an American firm or firms which shall be designated in writing by the Saudi Government. Construction contracts for the permanent stations shall be awarded after solicitation of proposals from firms to be selected by the U.S. Army Corps of Engineers. The U.S. Army Corps of Engineers shall utilize its contracting procedures and contract forms with such modifications or adaptations as the Corps in its discretion deems necessary or desirable.

The obligations undertaken by the U.S. Government and the U.S. Army Corps of Engineers are understood to be subject to the following terms and conditions :

1. In the interest of allowing the work undertaken by the U.S. Army Corps of Engineers to proceed as expeditiously as possible, the Saudi Arabian Government shall establish an irrevocable letter of credit to be drawn on as described below to cover costs of design, construction, installation and initial operation of the temporary television stations, training of Saudi personnel and design of the permanent facilities. It is understood that these costs shall include expenses of the U.S. Army Corps of Engineers and reasonable contingencies. This letter of credit shall be established in the form attached hereto as Appendix II¹ or in the approved format of the issuing bank upon presentation by the U.S. Army Corps of Engineers of estimated costs of the operations envisaged for this part of the project. The U.S. Army Corps of Engineers will draw upon the letter of credit by submitting demand drafts on the issuing bank, at approximately one month intervals for costs actually incurred. The U.S. Army Corps of Engineers will provide at one month intervals to the Saudi Arabian Government an accounting of the funds so expended in the format and detail as is mutually agreed upon by the U.S. Army Corps of Engineers and the Saudi Arabian Government.

Prior to awarding of any contracts for the construction and installation of the permanent stations and their initial operation, the Saudi Government shall establish a second letter of credit on the same terms as above, sufficient to cover the costs of the construction and installation of the permanent stations and their initial operation, plus reasonable contingencies and expenses of the U.S. Army Corps of Engineers in administering this phase of the project.

The Saudi Government shall be advised of the amount of unexpended balances remaining upon final fiscal completion of the work involved.

The Chief of Engineers of the U.S. Army Corps of Engineers, acting through the U.S. Army Corps of Engineers Board of Contract Appeals, shall hear and decide appeals taken pursuant to the "Disputes" clause of contracts awarded non-Saudi contractors pursuant to this agreement. The Saudi Government agrees to make such additional funds available as may be necessary to cover the payment of successful claims.

¹ See p. 8 of this volume.

2. Members of the Corps of Engineers and their dependents shall respect the laws of Saudi Arabia, including those laws prohibiting access to certain areas of the country to non-Muslims or to non-Saudis. The senior representative of the Corps of Engineers element in Saudi Arabia shall have the sole authority to maintain discipline and good order among the members of the Corps of Engineers and their dependents and to assure their full respect for the laws of Saudi Arabia by taking appropriate action under United States law in cases involving such persons. The authorities of Saudi Arabia shall promptly notify the senior representative of the Corps of Engineers of the arrest of any member of the Corps of Engineers or dependent accused of violating the laws of Saudi Arabia and shall transfer custody of the accused, as expeditiously as circumstances permit, to the senior representative of the Corps of Engineers or his designated representative for appropriate action under the laws of the United States.

3. Members of the Corps of Engineers and their dependents shall enjoy within Saudi Arabia immunity from civil process for actions taken in the performance of their duties under this agreement.

4. All property, material, equipment, services and supplies brought into or procured in Saudi Arabia by the U.S. Army Corps of Engineers to carry out the functions contemplated by the Agreement shall be exempt from import and export duties, taxes, licenses, excises, imposts, bonds, deposits and any other charges, except for services requested and rendered, and shall be exempt from inspections, except for identification. Property, materials, equipment, services and supplies belonging to the U.S. Army Corps of Engineers and/or of its non-Saudi contractors that do not become a part of the completed works shall remain the property of the U.S. Army Corps of Engineers and/or its non-Saudi contractors, and may at any time be removed from or disposed of in Saudi Arabia free of any restrictions or any claims which may arise by virtue of such removal or disposal, provided that the duty thereon shall be paid in the event of their sale or disposal in Saudi Arabia. The Saudi Government shall take all reasonable steps, within the framework of its laws, to prevent unreasonable increases in prices of either materials or services, including transportation and fees for port unloading facilities, purchased by the U.S. Army Corps of Engineers and/or its contractors to carry out the functions contemplated by the Agreement.

5. The Saudi Government shall accord to members of the U.S. Army Corps of Engineers, their dependents and their personal property, exemption from all kinds of taxes or charges imposed by the Central or Provincial Governments. Goods imported under this exemption shall not ordinarily be sold or disposed of in Saudi Arabia, and in the event of such sale or disposal, the duty thereon shall duly be paid.

6. The Saudi Government shall receive, without regard to nationality, except for citizens of states not recognized by the Saudi Government, persons

employed by the U.S. Army Corps of Engineers and its non-Saudi contractors for the performance of work under this Agreement. Administrative procedures shall be devised to expedite entry into or exit from Saudi Arabia.

7. The U.S. Army Corps of Engineers and its non-Saudi contractors, for their part, will observe and take into consideration Saudi laws and traditions. The Saudi Government for its part shall accord the U.S. Corps of Engineers its premises and its equipment (including means of transportation), freedom from search or seizure except with the concurrence of the senior representative of the U.S. Corps of Engineers in Saudi Arabia or his designated representative.

8. The Saudi Arabian Government agrees that the U.S. Government, its officers and its employees, will be held harmless from causes of action, suits at law or equity, or from any liability or damages in any way growing out of 1) the performance of the functions covered by this agreement, or 2) the construction, operation and maintenance of the project facilities.

9. The Saudi Arabian and U.S. Governments will consult, upon the request of either of them, regarding any matter relating to the terms of this agreement, and will endeavor jointly in the spirit of cooperation and mutual trust to resolve any difficulties or misunderstandings that may arise. In the event of a change of circumstances making it necessary or desirable to terminate the arrangements agreed to herein before the expiration date in paragraph No. 10 herein, either government may give sixty days' notice in writing of its intent to terminate. Thereafter, the Saudi Arabian and U.S. Governments shall consult together with the aim, insofar as possible, of fixing a mutually satisfactory termination date. Further, insofar as possible, the termination date shall be fixed sufficiently in advance so that the U.S. Army Corps of Engineers may make personnel and other adjustments in their operations in light of such termination. In the event of termination pursuant to this clause it is understood and agreed that this Agreement shall continue in force and effect beyond the specified termination date if necessary for the purpose of settling contract termination or other claims and costs.

10. This Agreement shall continue in force and effect until July 30, 1966, except that it shall continue in force and effect beyond July 30, 1966, if necessary for the purpose of closing out all contracts awarded pursuant to the Agreement, including claims which might arise thereunder. Otherwise, the Agreement shall be subject to extension if mutually agreed by the Saudi and U.S. Governments.

I have the honor to inform Your Excellency that, if the foregoing conditions are acceptable to the Saudi Government, the Government of the United States of America will consider this note, together with your note in reply concurring with the above, as constituting an Agreement between the two governments with respect to this matter, such Agreement to enter into force as of the date of your note in reply.

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

Parker T. HART

His Excellency Omar Sakkaf
Deputy Minister of Foreign Affairs
Jidda

APPENDIX II

IRREVOCABLE LETTER OF CREDIT

(Name of Bank Issuing Letter of Credit)

(Address of) Bank

(No. of letter)

(Date)

Treasurer of the United States
Washington 25, D.C.

Dear Madam :

We hereby establish our irrevocable credit No. _____ in your favor by order and for account of United States Army Corps of Engineers up to an aggregate amount of \$ _____ available by demand drafts drawn on us by a representative of the United States Army Corps of Engineers, Mediterranean Division or his designee. Drafts must be accompanied by a written statement that the amount drawn under this credit represents costs incurred pursuant to the notes between the United States Government and the Government of Saudi Arabia, dated _____. We hereby agree that the drafts drawn under and in compliance with the terms of this credit shall be duly honored on due presentation on or before _____.

Very truly yours,

(Authorized signature of bank
official)

[TRANSLATION¹—TRADUCTION²]

MINISTRY OF FOREIGN AFFAIRS

Number 90/2/1/807/B

21 Sha'ban 1383
(6 January, 1964)The Honorable Parker T. Hart
American Ambassador
Jidda, Saudi Arabia

With reference to your note dated December 9, 1963 pertaining to the agreement to establish a television system in the Kingdom of Saudi Arabia, it gives me pleasure to convey to you the approval of my government of the mutually acceptable draft agreement (herewith enclosed).³

In accordance with the agreement, my government has agreed to open the necessary letter of credit for a sum limited to ten million (10,000,000) Saudi Arabian riyals, taken from the current fiscal year's budget (1383/1384 Hijrah).

I should like to point out, however, that the unlimited (undefined) obligation referred to in the last paragraph under article one (1) of the agreement will be settled from within the funds appropriated for the project.

In conveying to you, as indicated above, my government's approval hereby constituting the agreement for establishment of a television system in the Saudi Arabian Kingdom, I sincerely hope that, in accordance with the agreement and (our) sincere desire for its realization, it will be possible to begin expeditiously.

I avail myself of this opportunity to extend to you the assurances of my highest consideration.

Omar SAKKAF
Deputy Minister of Foreign Affairs

¹ Translation by the Government of the United States of America.

² Traduction du Gouvernement des États-Unis d'Amérique.

³ See note I.