

No. 12823

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**UNITED STATES OF AMERICA  
and  
KHMER REPUBLIC**

**Memorandum of Understanding for airfield upgrading  
(with attachments). Signed at Phnom Penh on 12 August 1972**

*Authentic text: English.*

*Registered by the United States of America on 21 November 1973.*

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**ÉTATS-UNIS D'AMÉRIQUE  
et  
RÉPUBLIQUE KHMÈRE**

**Mémorandum d'accord relatif à l'amélioration de terrains  
d'aviation (avec pièces jointes). Signé à Phnom Penh  
le 12 août 1972**

*Texte authentique : anglais.*

*Enregistré par les États-Unis d'Amérique le 21 novembre 1973.*

August 12, 1972

## MEMORANDUM OF UNDERSTANDING FOR AIRFIELD UPGRADING

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Whereas the Government of the Khmer Republic, hereinafter referred to as the GKR, and the Government of the United States of America, hereinafter referred to as the USG, in recognition of the urgent requirement for the development of communications throughout the Khmer Republic as a major unifying force, and the present and prospective necessity for great reliance upon air transportation for such communications and the present inadequacy of existing airfield facilities for both civil and military aircraft operations, hereby propose to jointly plan and finance specific improvements to certain existing airfields, namely Ream, Pochentong and Battambang, according to the following terms and conditions.

1. The GKR and USG hereby appoint the United States Department of Defense Construction Agent, hereinafter referred to as Construction Agent as their agent for executing both design and construction of the airfield upgrading at the existing airfields at Ream, Pochentong and Battambang. Proposed upgrading projects are more specifically described in attachment one to this memorandum.

2. For each of the airfield upgrading projects proposed herein, the GKR will be furnished with the design thereof for review and approval of such design before the Construction Agent can proceed to request "proposals for contract".

3. The GKR funds to be contributed to the projects shall be furnished to the Construction Agent before contracts are awarded. Funding levels are to be as set forth in the attachment two to this memorandum and may be revised by mutual agreement.

4. The Construction Agent, in consultation with the GKR, will prepare and recommend a list of both Khmer and other free world contractors who are technically and financially capable of accomplishing the agreed upon construction.

5. The construction contracts to be entered into for the subject airfields shall be of the standard form used by USG agencies and shall conform to the requirements of the "United States Armed Forces Procurement Regulation". All directions and instructions to the contractor in furtherance of the subject airfield projects shall be given by the Construction Agent.

6. The Construction Agent will ensure compliance by the contractors with all applicable GKR laws and regulations.

7. The GKR may furnish available engineers and other qualified personnel as may be required to assist the Construction Agent with the inspection and supervision of the contractor and his personnel. These GKR personnel will be under the overall direction of the Construction Agent while engaged in assisting in these airfield projects.

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<sup>1</sup> Came into force on 12 August 1972 by signature.

8. The Construction Agent will furnish the GKR and the Embassy of the United States in Phnom Penh with monthly construction status reports, including such items as percent complete, status of disbursements made to the contractors, and such other financial reports as may be required.

9. A team composed of GKR-USG representatives and their Construction Agent shall conduct the final inspection of all construction accomplishments under the agreement.

10. The GKR may make available to the contractors certain items of construction equipment, the nomenclature of and rental rates for, to be set forth in a list to be provided by the GKR. The Construction Agent will make no warranty or representation as to the availability or condition of this equipment. All arrangements for the use of and payment for such rental equipment shall be negotiated between the GKR and the contractors. The GKR hereby agrees that such equipment as may be rented to the contractors shall be available to said contractors for the full term of the rental agreement and not subject to prior termination by the GKR.

11. The Construction Agent will furnish the GKR an approved list of materials, supplies and equipment to be imported. The GKR will permit the importation, purchase and rental of all materials, supplies and equipment, including contractors administrative materials and items, and business related vehicles required for these projects, free of all GKR taxes and duties. Materials, supplies and equipment imported into the Khmer Republic by the contractor under the terms of this agreement, which are not incorporated into the construction projects, shall be exported by the contractors from the Khmer Republic upon completion of the airfield projects or forty-five days thereafter be subject to all legal taxation or duties thereon.

12. Upon completion of the airfield projects, any funds remaining will be returned to the contributors.

13. The GKR agrees that all the salaries received by contractors' employees for this work who are nonresidents of the Khmer Republic and who are brought into the Khmer Republic for the sole purpose of working on these airfield projects shall be exempt from all GKR income taxes or other forms of direct taxation thereon.

14. The GKR agrees to acquire, without cost to the project funds, title to all real property that is to be incorporated into these airfield projects, according to the approved designs, prior to the dates that may hereafter be scheduled for the submission of proposals for contracts. The GKR agrees to hold the USG and Construction Agent harmless from any and all claims that may hereafter be asserted by owners of real property that will be included in these airfield construction projects.

15. Nothing in this memorandum of understanding shall be construed to obligate USG funds, such obligation of funds being dependent upon their being made available by the Congress of the U.S. By the same token, obligation of funds by the GKR will be accomplished in accordance with its funding procedures.

16. The GKR and USG will enter into such additional agreements as may be necessary to implement the projects as described herein.

For the Government  
of the United States of America:

[Signed]

EMORY C. SWANK  
Ambassador

For the Government  
of the Khmer Republic:

[Signed]

SON NGOC THANH  
Prime Minister  
and Minister of State  
Charged with Foreign Affairs

## ATTACHMENT ONE

### PROPOSED AIRFIELD UPGRADE PROJECTS

Proposed priorities for airfield improvements within the GKR are: #1—Ream, #2—Pochentong, and #3—Battambang. Within the three priority areas, the following construction priorities are proposed.

#### *Ream Airfield*

Parking Apron Improvement  
Additional Access Taxiway  
Resurface Runway  
Runway Overruns

#### *Pochentong Airfield*

Military Parking Apron Repairs  
New Military Parking Apron  
Additional Military Access Taxiway  
New Civilian Parking Apron  
Security Fence  
Perimeter Security Lights

#### *Battambang Airfield*

Resurface Runway and Shoulder Construction  
Resurface Taxiway and Parking Apron  
New Parking Apron  
Additional Access Taxiway

## ATTACHMENT TWO

### AIRFIELD COST ESTIMATES

Proposed priorities for airfield improvements within the GKR are: #1—Ream, #2—Pochentong and #3—Battambang. Estimated costs for each airfield are shown below. U.S. costs and GKR foreign exchange (F/X) costs are expressed in thousands of dollars. GKR riel costs are expressed at an exchange rate of 157.36:1.

## GKR

	<i>U.S.</i>	<i>FIX</i>	<i>Riel Costs*</i>	<i>Total Dollar Costs</i>	<i>Total Project Costs</i>
Ream .....	\$ 204.0	\$144.7	91,945,448	\$ 348.7	\$ 933.0
Pochentong .....	1,772.8	440.5	366,916,312	2,213.3	4,545.0
Battambang .....	282.5	166.8	59,120,152	449.3	825.0
TOTALS	<u>\$2,259.3</u>	<u>\$752.0</u>	<u>517,981,912</u>	<u>\$3,011.3</u>	<u>\$6,303.0</u>

\* NOTE: A portion of the total riel costs is subject to GKR recoupment from fees charged the contractor, by Public Works, for the rent/lease of selected items of GKR-owned construction equipment.