

No. 16322

**UNITED STATES OF AMERICA
and
IRAN**

Agreed minutes of the 3rd session of US-Iran Joint Commission for Economic Cooperation (with annexes). Signed at Tehran on 7 August 1976

Authentic text: English.

Registered by the United States of America on 27 January 1978.

**ÉTATS-UNIS D'AMÉRIQUE
et
IRAN**

Procès-verbal approuvé de la troisième session de la Commission mixte États-Unis-Iran pour la coopération économique (avec annexes). Signé à Téhéran le 7 août 1976

Texte authentique : anglais.

Enregistré par les États-Unis d'Amérique le 27 janvier 1978.

AGREED MINUTES¹ OF THE 3RD SESSION OF US-IRAN JOINT COMMISSION FOR ECONOMIC COOPERATION

The Third Session of the United States–Iran Joint Commission for Economic Cooperation was held in Tehran on August 6 and 7, 1976.

The Iranian Delegation was led by H. E. Hushang Ansary, Minister of Economic Affairs and Finance, and the Delegation of the United States was headed by the Honorable Henry A. Kissinger, the Secretary of State.

The lists of the two Delegations are given in Annexes I and II.

The Commission discussed international economic questions and bilateral economic relations. It agreed that the two sides should work closely together in the solution of the problems faced by the world economy particularly in monetary, financial, trade, and development areas.

In reviewing the latest development in United States–Iran economic relations, the two Parties reiterated their determination to intensify efforts to exploit the vast potentials of the two countries in promoting economic cooperation in their mutual benefit.

The Commission examined the reports of the five standing committees and reached the following decisions and conclusions:

TRADE

The Commission expressed satisfaction at the rapid increase in the volume of trade between Iran and the United States and agreed on a target of \$26 million exclusive of oil and military items for the six years ending in 1980.

In their desire to achieve continued expansion of trade and economic cooperation between the two countries, the two Parties recognized the need for considerable expansion of Iranian industrial exports to the U.S. In this connection the U.S. Delegation expressed its readiness to cooperate with efforts to increase such exports.

The Iranian side expressed its deep concern and serious disappointment over the exclusion of Iranian exports from the United States' General System of Preferences. It emphasized that such exclusion runs counter to the aim and determinations of the two sides in facilitating and expanding trade between the two countries.

The United States side stated that while any change in GSP eligibility would require an act of Congress, the United States Executive Branch supports legislation recently introduced to provide GSP benefits covering Iran, and will continue to use its best efforts to achieve passage in the current session of Congress.

The Commission was pleased that the members of the Joint Business Council have been designated on both sides and that the Council had already organized a successful Financial Conference.

The two sides agreed that the first meeting of the Joint Business Council provided a good opportunity for representatives of private sectors in both countries to familiarize themselves with business conditions at each end. Both sides further agreed

¹ Came into force on 7 August 1976 by signature.

that the Joint Business Council had the potential to play a valuable role in promoting trade and economic cooperation between Iran and the United States.

It was further agreed that for bid and performance guarantees, surety bonds of "U.S. Surety companies acceptable on Federal Bonds" will be considered by the Iranian Party, subject to applicable laws and regulations.

INDUSTRY

The Commission noted with satisfaction the current negotiations between the Industrial Development and Renovation Organization of Iran (IDRO) and American private concerns for the establishment of joint-ventures to produce milling machines, high voltage insulators, forged grinding balls, fractional horsepower electric motors, conveyors, resin for wood industry, industrial furnaces, and tool room machinery.

The Commission expressed satisfaction at the conclusion of contracts between Iranian and American private interests for establishment of joint-ventures to manufacture trailers and graphite electrodes.

In order to widen the scope of cooperation between the two countries in the field of electronics it was agreed that the U.S. Party would undertake to expedite decisions on applications submitted by U.S. companies for supply of technology included in contracts with Iranian enterprises and for programs of training of Iranian technical personnel in U.S. companies and institutes.

INVESTMENT

The two sides expressed their satisfaction over the developments in the two countries in the field of investment, and welcomed increased flows of capital on both sides.

The two Parties further agreed that policies and facilities relating to investments in the two countries, including promotion and reciprocal protection of investment, should be discussed at the next meeting of the Committee on Economy and Finance.

LIQUEFIED NATURAL GAS

The Iranian Party stated that following the recent discoveries of vast reserves of natural gas in Iran the proven reserves may now exceed those of any other country and that Iran has formulated extensive plans for the utilization of these resources. The American Party informed the Iranian side of recent decisions establishing the United States' policies on natural gas imports and added that these policies enable the U.S. Executive Branch to encourage and support projects for the production and delivery of natural gas to the United States on economically attractive terms. The Commission reviewed the progress of work concerning two multi-billion dollar joint-ventures in LNG involving the National Iranian Gas Company and U.S. private companies, which at this stage await the completion of economic feasibility studies.

HOUSING

The two sides reviewed the progress of cooperation in the area of housing and agreed to broaden the areas of joint activities in the following manner:

1. establishment of plants to manufacture building components and materials, as well as pre-fabricated houses, and provisions of services related to the above, i.e.,

management training, industrial planning, personnel management, etc. Cooperation in the establishment of the above factories could take the form of joint-ventures, licensing, and provision of related technical services;

2. participation in commercial exhibitions in Iran and the U.S.;
3. technical cooperation in urban and housing management, housing finance and the role of secondary mortgage market, exchange of technical information and documentation on building systems, and material and quality control. Part of such technical cooperation shall take the form of holding seminars and conferences, provision of experts and consultants and training.

TRANSPORTATION

The Commission expressed satisfaction at the cooperation of the two countries in highway construction and agreed that the respective agencies of the two sides would take necessary administrative measures to facilitate and expand such cooperation.

The Iranian side stated that it would welcome investment by American firms in the construction of toll highways in Iran amounting to about 1200 kilometers. The U.S. side noted this with interest and stated it would bring this matter to the attention of U.S. construction and financial firms.

The American side expressed interest to participate in the establishment of computerized truck terminals and integrated transport system (truck-rail-road) as well as road safety and tunnel ventilation and lighting program in Iran. This was welcomed by the Iranian side and it was agreed that an Iranian team shall visit the United States in order to discuss the details of these matters with American firms.

The Commission noted that 14 port officials are scheduled to participate in a training program sponsored by the U.S. Coast Guard. An extensive training program for port personnel and marine operators is being formulated, and this training program will be a possible area for U.S. technical cooperation.

The Iranian Party stated it will welcome the participation of American firms in its tenders for port development and railway construction programs.

The two sides welcomed cooperation between the Iranian Civil Aviation Organization and the United States Federal Aviation Administration.

ENERGY

The Commission noted with satisfaction that cooperation in the field of nuclear energy between Iran and the United States had increased significantly both in scope and intensity. In particular, a number of new activities had entered the final phase of negotiation and implementation.

Particular note was taken by the Commission of cooperation in areas of evaluation of sites for the establishment of nuclear power plants in Iran, exploration in Iran for uranium resources, training of Iranian engineers and scientists, and fabrication of slightly enriched uranium fuel for nuclear energy reactors. It further noted that cooperation in these specific areas would approximate 230 million dollars.

The Commission reaffirmed the strong mutual interest of both countries in concluding an agreement which would enable both sides to cooperate in the largescale application of nuclear energy to the generation of electric power and desalination in

Iran. The two sides recognized the great importance attached by both countries to the avoidance of further proliferation of nuclear weapons and expressed their determination to continue their efforts toward this objective. The Commission decided that the two countries should continue consultation concerning their efforts in this direction so as to further ensure the effectiveness of their non-proliferation objectives.

The Commission noted that substantial progress had been made since the previous Commission meeting in defining the principles of a new cooperation agreement in nuclear power, and agreed that a realistic basis for proceeding with detailed negotiations now existed.

It, therefore, decided that these negotiations should be pursued between the respective authorities of the two countries with a view to reaching an early agreement.

The Commission decided that the two countries will undertake a program of cooperation in solar energy research and utilization. The U.S. Energy Research and Development Administration will submit to the Government of Iran within one month information on its research and development program in the solar energy field and on organizations and institutes dealing with solar energy in the United States. Following consideration of the information, a team of Iranian experts will visit the relevant organizations and institutes in the United States. Subsequently, an American team will visit Iran. Thereafter, the experts of the two countries will meet to formulate a program of cooperation in this field.

The Commission discussed the interest of both sides in the development of alternative energy sources and decided that the Committee on Nuclear Energy be renamed as the "Committee on Energy Research and Development" to serve as a focal point for the promotion of U.S.–Iran cooperation in alternative energy research, development and application.

AGRICULTURE

The Commission reviewed cooperation of the two countries in the field of agriculture and made the following observations and decisions:

1. The Iranian Party suggested Jiroft, Minab or Khuzestan as a region for agricultural development and establishment of an agri-business unit in cooperation with the U.S. It was agreed that the American side would send a three-man team in October for three weeks to study the possibilities of cooperation in this area, using as a basis the terms of reference submitted by the Iranian side.

2. The Commission noted a decision reached at the 2nd Session of the Joint Commission for cooperation between the two countries in the production in Iran of agricultural machinery, fertilizers, and pesticides for regional distribution. It was agreed that the Joint Business Council would be asked to take a more active role in promoting agri-business in Iran, making possible greater involvement of the private sector in these activities. In this connection the Iranian side designated the Agricultural Development Bank and the Industrial and Mining Development Bank of Iran, and the U.S. Party designated a committee of representatives from U.S. Department of Agriculture, Department of Commerce, and the Overseas Private Investment Corporation. The Iranian side agreed to provide a list of the projects in which they are interested in having the U.S. private sector participation. The Commission agreed that OPIC should play a more active role in this regard.

3. Both Parties agreed to establish a working group which would meet at least annually to discuss crop production forecasts in both countries and in the world. The working group would include representatives of the Ministry of Agriculture and Natural Resources, and the Ministry of Commerce of Iran, and the U.S. Department of Agriculture. The first meeting of the working group will be scheduled for May 1, 1977.

4. Noting the decisions of the Commission at its last session concerning cooperation in the establishment of an agricultural complex in an arid region of Iran,¹ the Iranian side suggested the development of a dry farming and range management complex in either the Gorgan or Khorasan area. The American side agreed to study this matter and convey its view as soon as possible.

5. The U.S. side declared its readiness to continue its cooperation with Iran in the operation of Iran's agricultural research information center.

6. Both sides expressed willingness to continue contacts in the veterinary and plant pest control fields and to exchange detailed and specific information in order to identify the areas of cooperation. A specific list of proposals for this purpose was prepared by the Iranian Party and presented to the American side.

7. The Iranian side explained its current programs in data gathering and processing facilities using satellite technology, and indicated its contacts with NASA and other specialized agencies of the United States. Both Parties expressed satisfaction at the progress of cooperation in this respect and agreed to continue such cooperation in the future.

8. The two sides agreed to cooperate in making arrangements for the training of a larger number of Iranians in the United States in forestry, watershed, range management and other areas, as well as in utilizing the services of American professors and specialists in Iran. The U.S. side stated that the whole cost structure for such services would be studied with a view to submitting new estimates.

9. The Iranian side explained its requirements for training large numbers of its personnel in different fields of agriculture. Areas of training have been specified by the Iranian side and the respective list submitted to the United States. The U.S. Department of Agriculture will take immediate action in this connection after consulting with the Iranian team which will visit the United States in September, and will work out details of the respective training programs.

SCIENCE, TECHNOLOGY AND EDUCATION

The Commission noted with satisfaction the progress made in cooperation between the two sides in science, technology and education, and particularly, in the fields of education, remote sensing and geology.

The Commission agreed that cooperation in the fields of science, technology, and education be enlarged to cover environment, health care education, bio-medical research, and arid land sciences.

¹ See "Agreed minutes of the second session of the United States-Iran Joint Commission, signed at Washington on 4 March 1975", in United Nations, *Treaty Series*, vol. 1041, p. 115.

Remote Sensing:

The Commission noted that the Plan and Budget Organization of Iran has been designated as the coordinating body for inter-governmental cooperation in utilization of remote sensing data. It was also observed that detailed proposals concerning cooperation in this field has been submitted to the U.S. side, which would respond to these proposals after further consideration.

Geological and Mineral Survey, and Seismic Studies:

The Commission reaffirmed the decisions it had reached at its last session concerning cooperation in the fields of geological and mineral surveys and of seismic studies. It noted with satisfaction that the framework of an appropriate program for cooperation and further training in these fields over the next 18 months including cooperation in earthquake prediction programs had been developed and agreed upon by the two sides.

Oceanography:

The Commission noted that a team of Iranian oceanographers will visit the United States in the immediate future to evaluate the potential for fruitful collaboration, including the establishment of a marine data center in Iran. The Commission decided that the Iranian National Committee on Oceanography and the United States National Oceanic and Atmospheric Administration be designated as the principal agencies for exchange of information and materials.

Education:

The United States Party expressed its gratitude for the generosity of Her Imperial Majesty's Committee for the American Bicentennial, in establishing an American Studies Endowment Fund, capitalized at one million dollars to support the development of American studies programs in Iran, and the Government of Iran's creation of a \$100,000 Bicentennial scholarship fund for American scholars wishing to pursue programs of Iranian studies in Iran.

It also expressed appreciation for the action of the Government of Iran in undertaking to share with the Government of the United States the costs of the Fulbright exchange program.

The Commission observed with satisfaction that a team of four American educators had recently completed a survey of linkages between Iranian and American universities, and their report, with recommendations as to ways of improving these relationships, is expected shortly.

The Commission agreed that a study be made of counseling, orientation and language training services available in Iran to students planning to go to the United States, with a view to determining the need for improving these services.

It was also agreed that an Iranian team shall visit the United States to study science education. The Iranian side stated that it would inform the U.S. Party of the interest of Iranian educational institutions in joint projects in educational technology and in improved exchanges of information about such technology.

Environment:

Recognizing the importance of pollution and environment in general, the Commission agreed that the two sides should cooperate in this field, assigning priority

to the problems of air pollution in Tehran and carrying out environmental impact studies on a broad scale. The Commission took note of the forthcoming visit of an American team of Environmental Protection Agency experts to Tehran during August 1976.

The Commission agreed that close cooperation between institutions in Iran and the United States in all the above fields and exchange of information and sharing of experiences between them should be encouraged by both sides.

It further agreed that the two sides may cooperate in the establishment and the expansion of research centers in Iran.

HEALTH

The Commission agreed that the Ministry of Health and Welfare of Iran and the U.S. Department of Health, Education and Welfare shall cooperate in the following areas:

- food and drug administration, and, in particular, development of specific techniques in laboratory procedures for drug and food control, exchange of know-how and experts, according priority to training of qualified Iranian technicians, assignment of American experts to cooperate in setting up a Department of Food and Drug Administration in Iran and establishment of a laboratory;
- control of drug addiction, and rehabilitation of addicts, particularly exchange of information between the relevant agencies of the two countries.

MANPOWER AND TECHNICAL COOPERATION

The Commission reviewed cooperation in the field of manpower and technical cooperation, and noted with satisfaction the progress achieved toward the establishment of mobile training centers and employment service offices in Iran, and in the study of U.S. training techniques by the Iranian officials. The Commission further observed that the Ministry of Labor and Social Affairs of Iran plans to acquire 40 more mobile training/employment service units for use in non-urban areas, and that visits are contemplated by the Iranian experts to the U.S. to study, *inter alia*, U.S. techniques in employment services, unemployment insurance administration, on-the-job training, and audio-visual devices.

The Commission agreed that exchange of information and experts between the Center for Research and Training for Occupational Health and Safety in Iran and the Department of Labor's Occupational Safety and Health Administration and similar agencies in the U.S. shall be encouraged. As a first step, Iran will provide a detailed description of the Center in Iran.

The Commission agreed that the two sides shall cooperate in establishing a center for the Development of Vocational Training Curricula in Iran.

The Commission noted that a team of Iranian officials from the Ministry of Labor and Social Affairs will visit the United States with a view to developing a program for measuring and raising labor productivity levels in Iran.

NEXT SESSION

It was agreed to hold the Fourth Session of the Joint Commission in Washington in 1977 on a date to be agreed upon in due course.

DONE in Tehran on the 7th of August 1976, in duplicate copies in English, both being equally authentic.

Leader of the Iranian Delegation:

[Signed]

HUSHANG ANSARY

Minister of Economic Affairs
and Finance

Leader of the United States Delegation:

[Signed]

HENRY A. KISSINGER

Secretary of State

ANNEX I

IRANIAN DELEGATION

- H. E. Hushang Ansary,
Minister of Economic Affairs and Finance
- H. E. Akbar Etemad
Assistant to the Prime Minister and the Head of Atomic Energy Organization
- H. E. Jalil Shoraka
Senior Deputy Minister, Ministry of Economic Affairs and Finance
- H. E. Jaafar Nadim
Vice-Minister for Economic and International Affairs, Ministry of Foreign Affairs
- H. E. Javad Vafa
Vice-Minister for International Affairs, Ministry of Economic Affairs and Finance
- H. E. Mohammad Hadi Ghavamian
Vice-Minister for Agro-business, Ministry of Agriculture and Natural Resources
- H. E. Ali Mousavi Nasl
Vice-Minister for Research and Projects, Ministry of Roads and Transportation
- H. E. Bahman Parsa
Vice-Minister of Scientific Research, Ministry of Science and Higher Education
- H. E. Fereydoun Nasseri
Vice-Minister for Manpower, Ministry of Labor and Social Affairs
- H. E. Parviz Hekmat
Deputy Manager for Technical Affairs, Plan and Budget Organization
- Vice-Admiral Abolfath Ardalan
Managing Director, Iran Electronic Industry
- Mr. Massoud Mousavi
Director General for Economic Cooperation, Ministry of Economic Affairs and Finance
- Mr. Morteza Kavooosi
Director, Department of American Affairs, Ministry of Economic Affairs and Finance

ANNEX II
AMERICAN DELEGATION

- The Honorable Henry A. Kissinger
Secretary of State
- The Honorable Richard Helms
Ambassador of the United States of America to Iran
- The Honorable Edward O. Vetter
Under Secretary, United States Department of Commerce
Co-Chairman, Economy and Finance Committee
- The Honorable William D. Rogers
Under Secretary of State for Economic Affairs
- The Honorable Joel Segall
Deputy Under Secretary of Labor for International Affairs, United States Department of Labor
Co-Chairman, Manpower and Technical Cooperation Committee
- The Honorable Alfred L. Atherton, Jr.
Assistant Secretary of State for Near Eastern and South Eastern Affairs
- The Honorable Robert H. Binder
Assistant Secretary, United States Department of Transportation
- The Honorable Nelson Sievering
Assistant Administrator, Energy Research and Development Administration
Co-Chairman, Nuclear Energy Committee
- The Honorable Quentin M. West
Administrator, Economic Research Service, United States Department of Agriculture
- Dr. Oswald H. Ganley
Acting Deputy Assistant Secretary of State for Oceans and International Environmental and Scientific Affairs
Co-Chairman, Science, Technology and Education Committee
- The Honorable Jack C. Miklos
Minister-Counselor, Embassy of the United States of America
- Mr. Rutherford M. Poats
Senior Advisor for Economic Affairs, Department of State
- Mr. Charles W. Naas
Director, Iranian Affairs, Department of State
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