

No. 16643

**UNITED STATES OF AMERICA
and
ROMANIA**

**Long-term Agreement on economic, industrial and technical
cooperation (with annexes). Signed at Bucharest on
21 November 1976**

Authentic texts: English and Romanian.

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

**ÉTATS-UNIS D'AMÉRIQUE
et
ROUMANIE**

**Accord à long terme sur la coopération économique, indus-
trielle et technique (avec annexes). Signé à Bucarest le
21 novembre 1976**

Textes authentiques : anglais et roumain.

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

LONG TERM AGREEMENT¹ ON ECONOMIC, INDUSTRIAL AND TECHNICAL COOPERATION BETWEEN THE UNITED STATES OF AMERICA AND THE SOCIALIST REPUBLIC OF ROMANIA

The Government of the United States of America and the Socialist Republic of Romania;

Noting with satisfaction the favorable development of economic relations between the two countries;

Resolved to promote economic, industrial and technical cooperation between the two countries on the basis of the principles of international law, respect for national independence and sovereignty, equality of rights, noninterference in domestic affairs and mutual advantage;

Taking into account the characteristics and economic potential of the two countries, and their respective levels of economic development;

Desiring to ensure continuous expansion and diversification of economic, industrial and technical cooperation and provision of information to facilitate such cooperation;

Wishing to enlarge upon the provisions of the Joint Statement of Economic, Industrial and Technological Cooperation between the United States of America and the Socialist Republic of Romania, of December 5, 1973,² and taking into consideration the provisions of the Agreement on Trade Relations Between the United States of America and the Socialist Republic of Romania of April 2, 1975;³

Determined to promote in their relations the objectives of the Final Act of the Conference on Security and Cooperation in Europe,⁴ and to give full effect to all of its provisions, including those relating to economic, scientific and technological cooperation; and

Considering that expansion and development of cooperation between firms, companies and economic organizations of the United States of America and the Socialist Republic of Romania will serve positively the interests of the two countries and peoples;

Have agreed as follows:

Article I. 1. The Parties shall take all appropriate steps to facilitate economic, industrial and technical cooperation between firms, companies and economic organizations, including those of small and medium size, in keeping with applicable laws and regulations in the two countries.

2. The Parties shall endeavor that firms, companies and economic organizations of one country and their representatives residing in or visiting the other country for purposes related to this Agreement will enjoy suitable operating conditions, including access to facilities required for the expeditious conduct of their business, in accordance with applicable laws and regulations.

3. Goods produced under cooperation arrangements in the territory of one Party shall, when imported into the territory of the other Party, be treated in accordance with the relevant provisions of the Agreement on Trade Relations of April 2, 1975, for the

¹ Came into force on 5 May 1977, the date on which both Parties had received written notice of approval by the other Party, in accordance with article VII.

² United Nations, *Treaty Series*, vol. 938, p. 457.

³ *Ibid.*, vol. 1020, p. 163.

⁴ *International Legal Materials*, vol. 14, 1975, p. 1292.

period those provisions remain applicable, or as otherwise provided by applicable laws and regulations.

4. Neither Party shall take unreasonable measures that would impair the contractual or other rights legally acquired within its territory of nationals, firms, companies or economic organizations of the other Party.

5. Except for a public purpose, assets belonging to nationals, companies and economic organizations of one of the two countries will not be expropriated by the other country, nor will they be expropriated without the payment of prompt, adequate and effective compensation.

6. Each Party agrees to facilitate to the maximum extent possible in accordance with its legislation all travel of persons engaged in activities consonant with the objectives of this Agreement.

Article II. 1. Cooperation activities shall be based on contractual arrangements between firms, companies and economic organizations in the two countries, in accordance with the laws and regulations in force in both countries. Such contracts will generally be concluded on terms customary in international practice, and may provide for sharing and transfer of benefits, participation in management and procedures to protect the resources committed by each partner in cooperation arrangements including joint companies. General principles for the development and operation of cooperation activities are set forth in Annex I to this Agreement.

2. Such cooperation activities may include:

- joint participation in the construction of new industrial facilities and the expansion and modernization of existing facilities in both countries;
- joint participation, including the formation of joint companies, by firms, companies and economic organizations of the two Parties, in producing and marketing goods and services;
- purchase, sale and leasing of machinery and equipment;
- purchase and sale of industrial and agricultural materials and consumer goods;
- purchase, sale, license or commercial exchange of patent rights, technical information, or know-how, as well as provision of technical services, including training and exchange of specialists and technicians, all in accordance with laws, regulations and procedures assuring that such arrangements are to the mutual advantage of both Parties;
- establishing and operation of offices and representations of firms, companies and economic organizations in the two countries;
- purchase and sale of services, including full and equitable participation by firms, companies and economic organizations of the two Parties in banking, insurance, including marine and air cargo insurance, and other financial services; and
- other cooperation activities and forms which may be mutually agreed between participants in the two countries.

3. Each Party shall arrive at export licensing decisions as expeditiously as is feasible under its established administrative procedures and in conformity with its laws, regulations and international undertakings.

4. The two Parties shall, as appropriate, facilitate cooperation between firms, companies or economic organizations of the two countries in third markets.

5. With a view to encouraging the development of banking services in support of economic, industrial and technical cooperation, each Party shall, where possible, facilitate the establishment and operation in its territory of banking institutions by firms, companies or economic organizations of the other Party in association with domestic firms, companies or economic organizations or individually.

6. All financial transactions shall be made in United States dollars or any other freely convertible currency mutually agreed upon by nationals, firms, companies and economic organizations, unless they otherwise agree.

7. The Parties agree to encourage and facilitate accelerated negotiations between firms, companies and economic organizations of the two countries, so that cooperation projects may be implemented as expeditiously as possible, and possibilities for discussion of new areas of cooperation may be enhanced.

8. The sectors mentioned in Annex II have been identified as areas of particular interest for the development of economic, industrial and technical cooperation between firms, companies and economic organizations of the two countries.

Article III. 1. The Parties shall take all appropriate steps to facilitate conclusion of contracts regarding cooperation activity between firms, companies and economic organizations of the two countries.

2. The two Parties shall grant to equipment, materials and components imported temporarily for purposes related to contracts regarding cooperation activity the same exemptions from customs duties, and other taxes and restrictions, that are granted to like equipment, materials and components from any other country, to the extent permitted by their laws and regulations.

3. Taking into consideration the importance of financing for the development of economic, industrial and technical cooperation, the particular characteristics of each case, and the laws, regulations and international undertakings of each country, the Parties agree that such financing as may be extended by them should enjoy conditions as favorable as possible.

Article IV. In order to assist firms, companies and economic organizations in determining the fields and projects most likely to provide a basis for mutually beneficial contracts, each Party, in accordance with its laws, regulations and procedures, shall, as appropriate, make available upon request by nationals, firms, companies and economic organizations of the other Party, or by the other Party, economic, commercial and statistical information useful for the development of market forecasts and the expansion of economic, industrial and technical cooperation. Such information shall include, but not be limited to:

- all statistical data regarding production, national income, budget, consumption, productivity, foreign trade and transfer of technology, necessary to accomplish the objectives of this Agreement;
- other information necessary for adequate evaluation of projects for cooperation, including information concerning laws, regulations and administrative procedures. Such information may relate, *inter alia*, to domestic commerce and foreign trade, including transfer of technology; to compensation of labor; and to banking and finance including the rates of exchange applicable to goods and services required for cooperation activities;
- current lists, directories and descriptions of firms, companies and economic organizations concerned with foreign trade, as well as other information helpful in making commercial contacts, including periodic catalogs and promotional materials of such firms, companies and economic organizations.

Article V. 1. The Joint American-Romanian Economic Commission, established pursuant to the Joint Statement on Economic, Industrial and Technological Cooperation of December 5, 1973, shall monitor implementation of this Agreement.

2. In this respect the responsibilities of the Joint American-Romanian Economic Commission are as follows:

- to examine periodically the development of economic, industrial, and technical cooperation between the two countries;

- to facilitate the expansion and diversification of economic, industrial, and technical cooperation between the two countries on the basis of mutual benefit, and to identify new areas for such cooperation;
- to provide for the regular exchange of views and information on the development of economic, industrial and technical cooperation and on the reciprocal extension of business facilities; and
- to consider other matters related to implementation of this Agreement.

3. The Commission may establish temporary working groups in various areas as necessary for purposes related to this Agreement.

4. The Commission may facilitate the establishment of joint consultative groups consisting of representatives of firms, companies, and economic organizations of the two countries on matters of particular interest related to this Agreement.

Article VI. The provisions of this Agreement shall not be construed to impair the rights and obligations of the Parties arising from other agreements or understandings.

Termination of this Agreement shall not affect the validity of contracts or understandings, in force on the date of termination of the Agreement, between nationals, firms, companies, and economic organizations of the two countries, or entered into by either Party.

Article VII. This Agreement shall enter into force on the date on which both Parties have received written notice of its approval by the other Party.

This Agreement shall remain in force for ten years. Thereafter it shall be automatically extended for successive periods of one year, provided that either Party may terminate it at the end of the initial ten-year period or of any successive one-year period by giving six months' written notice to the other Party.

IN WITNESS WHEREOF, the authorized representatives of the Parties have signed this Agreement.

DONE at Bucharest on November 21, 1976, in two original copies, in the English and Romanian languages, both texts being equally authentic.

For the Government
of the United States of America:
[Signed — Signé]¹

For the Government
of the Socialist Republic of Romania:
[Signed — Signé]²

ANNEX I

The Parties recognize the desirability of general principles for the development and operation of cooperation activities, as enumerated in Article II of this Agreement, in which nationals, firms, companies and economic organizations of one Party may participate in the territory of the other. Therefore, the Parties recommend the following principles, subject to laws and regulations in force in the territory of the Party where such cooperation activities take place.

1. Such nationals, firms, companies and economic organizations of a Party, consistent with applicable laws, regulations, and agreements between the Parties, should have the right:
 - A. to be free to transfer abroad, without discriminatory restrictions and fees, and under the conditions stipulated between the participants, net proceeds, and the value of capital participation, of rights resulting from distribution of assets upon dissolution, and of all other rights to which they are entitled, after payment of fees, taxes, contributions to social insurance and satisfaction of other legal and contractual obligations;

¹ Signed by Elliot L. Richardson — Signé par Elliot L. Richardson.

² Signed by Patan — Signé par Patan.

- B. to verify compliance with all contractual obligations;
- C. to include in the contracts of cooperation measures to facilitate hiring and compensation of necessary local staff for implementation of obligations resulting from cooperation projects, in accordance with laws and regulations in force in the two countries;
- D. to purchase installations, equipment and materials necessary for cooperation activities from domestic or foreign sources according to competitive criteria;
- E. to have access to services and facilities necessary for the conduct of business which is no less favorable than that accorded to firms, companies and economic organizations of any third country;
- F. to contact and work with officials and appropriate technical personnel of firms, companies and economic organizations of the other Party engaged in cooperation activities, including, as necessary, suppliers of services, supplies and components for cooperation activities, and users of goods produced through such cooperation activities;
- G. to enjoy rights and facilities no less than those accorded to representations under the provisions of Annex 2(I) of the Agreement on Trade Relations of April 2, 1975, between the two Parties; and
- H. to exercise other rights, and carry out obligations agreed upon between participants in the two countries in their contracts.

2. The Parties recommend that firms, companies and economic organizations give consideration to the use of conciliation procedures established by the Joint US-Romanian Economic Council. The Parties further recommend the adoption of arbitration under the rules of arbitration of the International Chamber of Commerce in Paris for the settlement of disputes between participants in cooperation activities. Such arbitration should take place in a country other than the United States of America or the Socialist Republic of Romania that is a party to the Convention for the Recognition and Enforcement of Foreign Arbitral Awards of New York of June 10, 1958.¹ Participants may mutually agree on any other form or place for the settlement of disputes.

3. The Parties agree that informal government-to-government consultations regarding specific proposals for major cooperation projects between firms, companies or economic organizations of the two Parties, or major investments by firms, companies or economic organizations of one Party in the territory of the other Party, would contribute to achievement of the objectives of this Agreement. Such consultations should take place at the request of either Party prior to conclusion of arrangements for such activities.

4. The Parties also recommend the following general principles for the establishment and operation of joint companies in the territory of one Party, involving capital participation by firms, companies and economic organizations of the other Party. Such joint companies should have the right to hire and compensate directly employees, other than those engaged in management, in conformity with applicable laws and regulations, at rates similar to those predominant domestically in firms, companies or economic organizations engaged in similar activities. Firms, companies and economic organizations participating in such joint companies should have the right, subject to laws and regulations in force in the territory of the Party where the joint company is established:

- A. to share in profits in proportion to capital participation in the joint company;
- B. to share, in proportion to their capital participation, in assets resulting from termination and dissolution of the joint company;
- C. to transfer for value all or part of the rights arising from capital participation, as provided in applicable laws and regulations, and in conformity with the legal instruments establishing the joint company;
- D. to examine and verify, upon request, the status of the company's property and books of account, in conformity with the legal instruments establishing the joint company;

¹ United Nations, *Treaty Series*, vol. 330, p. 3.

- E. to participate in management or to be represented in management in equitable proportion to their capital participation in the joint company in accordance with applicable laws and regulations;
- F. to limit their liability for the obligations of the joint company to the value of their capital participation;
- G. to enter into arrangements for management of the joint company which will assure that management has full powers, consistent with laws and regulations in force, to direct and organize production, sales and other activities of the joint company; and
- H. to exercise other rights and to carry out other obligations agreed upon by participants in the joint company, in conformity with the legal instruments establishing the joint company.

5. The Parties recommend that disputes between one Party and a national, firm, company or economic organization of the other Party which arise out of an investment be submitted for conciliation or arbitration as provided by the Convention on the Settlement of Investment Disputes between States and Nationals of Other States.¹

ANNEX II

In accordance with Article II, paragraph 8, of this Agreement, the following sectors have been identified as areas of particular interest for the development of economic, industrial and technical cooperation between the firms, companies and economic organizations of the two countries:

- machine building industry
- electrical and electronic industries
- aviation industry
- chemical and petrochemical industry
- petroleum industry
- mining industry
- construction materials industry
- light industry
- food industry
- telecommunications
- computers and data processing
- agriculture
- banking.

¹ United Nations, *Treaty Series*, vol. 575, p. 159.