

No. 17744

**UNITED STATES OF AMERICA
and
GUYANA**

**Letter Agreement relating to acquisition of excess property
(with list of requirements). Signed at Washington on
6 June 1977 and at Georgetown on 6 July 1977**

Authentic text: English.

Registered by the United States of America on 17 April 1979.

**ÉTATS-UNIS D'AMÉRIQUE
et
GUYANE**

**Lettre d'accord relative à l'acquisition de biens excédentaires
(avec liste des articles demandés). Signée à
Washington le 6 juin 1977 et à Georgetown le 6 juillet
1977**

Texte authentique: anglais.

Enregistrée par les États-Unis d'Amérique le 17 avril 1979.

LETTER AGREEMENT¹ BETWEEN THE UNITED STATES OF AMERICA AND GUYANA RELATING TO ACQUISITION OF EXCESS PROPERTY

DEPARTMENT OF STATE
AGENCY FOR INTERNATIONAL DEVELOPMENT
WASHINGTON, D.C.

United States Coordinator
Alliance for Progress

June 6, 1977

Dear Mr. Hoyte:

I am pleased to inform you that the request of the Government of Guyana, hereinafter called the "recipient", to receive United States Government-owned excess property has been approved.

In accordance with Section 607 (a) of the Foreign Assistance Act of 1961, as amended, the Agency for International Development (AID) has authorized the recipient to acquire Section 608 domestic and foreign excess property, to the extent available, in the kinds and amount described in the enclosure to this letter. This letter, when accepted and agreed to by the recipient, authorizes the recipient to initiate the procedures referred to herein for acquiring such property and sets forth terms and conditions governing the transfer and use of such property. The AID authorization and the terms and conditions of this letter will be effective until June 30, 1980, unless sooner modified or terminated by AID.

The total amount of property which can be transferred in accordance with this letter, measured in terms of original acquisition cost, is \$2,000,000.

The following procedures, terms, [and] conditions will govern the acquisition, transfer, and use of all property described in the enclosure to this letter delivered to the recipient:

SECTION 607 (b) DETERMINATIONS

All transfers hereunder are conditional upon the prior accomplishment of the determinations required by Section 607(b) of the Foreign Assistance Act of 1961, as amended.

Charges

1. Section 608 domestic and foreign excess property

a. *General.* All transfers hereunder of Section 608 excess property will be effected by AID without charge as to the value of the property. Charges are made for Section 608 excess property covering the applicable AID service charges and the AID outshipment charges.

b. *AID service charges.* (1) Reconditioned property shipped from the AID storage facility—the sum of (a) actual cost of inland transportation from the holding activity to the AID storage facility, (b) actual cost of reconditioning, and (c) 15% of the original acquisition cost.

¹ Came into force on 6 July 1977 by signature.

(2) Unreconditioned property shipped from the AID storage facility—the sum of (a) actual cost of inland transportation from the holding activity to the AID storage facility and (b) 3% of the original acquisition cost.

(3) Unreconditioned property shipped from the holding activity—3% of the original acquisition cost.

c. *AID outshipment charges.* (1) Ocean shipment via the Military Sealift Command (MSC)—14% of the original acquisition cost to cover all outshipment charges through ocean transportation.

(2) Ocean shipment via the recipient's own freight forwarder—6% of the original acquisition cost to cover outshipment charges to that freight forwarder at the port of outloading.

d. *Deposits.* No transfers of Section 608 excess property will be effected under this agreement prior to receipt by AID of the required deposit by the recipient to the U.S. Dollar Trust Fund Account 72X8502. After final disbursements have been made, funds remaining in the trust fund account will be returned to the recipient.

Acquisition

Upon concurrence by the recipient in this agreement, requests for availability of Section 608 excess property will be transmitted to AID Excess Property Division, Building 54-5, New Cumberland Army Depot, New Cumberland, Pennsylvania 17070. The request will be marked "Recipient-Financed" and will include (a) stock number and/or description of the item; (b) quantity; (c) unit of issue; (d) condition (reconditioned or unreconditioned); (e) required delivery date; and (f) planned application or end-use.

Title

1. Title to Section 608 excess property approved for transfer will pass from the United States to the recipient upon delivery of the property to the recipient's designated freight forwarder or, if shipment is via the MSC, when the property is placed aboard the ocean carrier.

2. After title to excess property has passed to the recipient, the recipient shall assume all responsibilities incident to ownership of such property, including, but not limited to, all risks of loss of or damage to the property and of all damage caused by or charges incurred on the property.

Ocean transportation

1. The provisions of Subpart B, Section 201.15 (U.S.-flag vessel shipping requirement), of AID Regulation 1 (22 CFR Part 201) are applicable to all property transferred hereunder. Property transferred hereunder is deemed to be "commodities financed with AID dollar funds" within the meaning of that section.

2. The recipient agrees to furnish to the AID Mission or U.S. Embassy in the country to which the property is shipped, one copy of the onboard bill of lading covering each shipment not later than 30 days after the date of the shipment.

Use of property

1. The recipient agrees that the property transferred to it will be used promptly and effectively only in the public sector of Guyana for economic and social development purposes (not for use as support of public safety activities by the military sector or by the private sector) under the jurisdiction of the various ministries of the Government of Guyana.

2. The recipient agrees that (a) the reconditioning of items of mechanical equipment which require reconditioning before use will commence within 6 months after the date of physical receipt and (b) such items will be utilized within 18 months after the date of placement of the purchase order or Section 607 (a) shipping authorization.

No warranty on property

The property transferred hereunder is used and excess to the United States Government and is transferred “as is” with all faults. AID is not responsible for and makes no warranty regarding the fitness, condition, or safety of operation of the property transferred.

Control and disposition of property

1. The following provisions are applicable to each item of excess property for one year after the date of its arrival in the country to which it was shipped by the recipient.

a. The recipient will maintain accountability records on all items except expendable items.

b. All accounts and records pertaining to the item are subject to audit by AID representatives, including the right to inspect the item wherever it is located.

c. The recipient will not retransfer or otherwise dispose of the item without prior approval of the AID Mission or U.S. Embassy in the country to which it was shipped by the recipient.

d. In the event that sale or other disposition of the item is approved, the recipient will conduct such sale or other disposition under terms and conditions, including purchaser eligibility, prescribed by such Mission or Embassy. All proceeds resulting therefrom will accrue directly and in full to the recipient.

2. One year after the date of arrival of an item of excess property in the country to which it was shipped by the recipient, the recipient may dispose of the item without seeking the approval of such Mission or Embassy. All proceeds resulting from such disposition will accrue directly and in full to the recipient.

If you concur in the foregoing conditions, please sign the original of this letter in the space provided below and return it to me.

Sincerely yours,

[Signed]

DONOR M. LION

Acting Assistant Administrator
for Latin America

Accepted and agreed to:

Recipient: Government of Guyana

By: [Signed—Signé]¹

Minister of Economic Development

Date: 6th July 1977

Enclosure:

List of Requirements

Honorable Hugh Desmond Hoyte, S.C., M.P.

Minister of Economic Development

Ministerial Building

Avenue of the Republic

Georgetown, Guyana

¹ Signed by H. Hoyte—Signé par H. Hoyte.

LIST OF REQUIREMENTS

U.S. Government-owned excess property which may be furnished to the recipient shall not exceed a total original acquisition cost of \$2,000,000 and shall be furnished from the following Federal Supply Groups:

<i>Federal Supply Groups</i>	<i>Description</i>
12	Fire control equipment
19	Ships, small craft, pontoons, and floating docks
20	Ship and marine equipment
23	Ground effect vehicles, motor vehicles, trailers and cycles
24	Tractors
25	Vehicular equipment components
26	Tires and tubes
30	Mechanical power transmission equipment
32	Woodworking machinery and equipment
34	Metalworking machinery
35	Service and trade equipment
37	Agricultural machinery and equipment
38	Construction, mining, excavating, and highway maintenance equipment
39	Materials handling equipment
40	Rope, cable, chain, and fittings
41	Refrigeration, air conditioning, and air circulation equipment
42	Firefighting, rescue, and safety equipment
43	Pumps and compressors
45	Plumbing, heating, and sanitation equipment
46	Water purification and sewage treatment equipment
47	Pipe, tubing, hose, and fittings
49	Maintenance and repair shop equipment
51	Hand tools
52	Measuring tools
54	Prefabricated structures and scaffolding
55	Lumber, millwork, plywood, and veneer
56	Construction and building materials
59	Electrical and electronic equipment components
61	Electric wire, and power and distribution equipment
63	Alarm and signal systems
65	Medical, dental, and veterinary equipment and supplies
66	Instruments and laboratory equipment
69	Training aids and devices
74	Office machines, visible record equipment, and data processing
75	Office supplies and devices
76	Books, maps, and other publications
78	Recreational and athletic equipment

STATEMENT. The above listed group of equipment will be used only in the public sector of Guyana for economic and social development purposes (not for use as support of public safety activities, by the military sector or by the private sector) under the jurisdiction of the various ministries of the Government of Guyana.