

No. 19923

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**UNITED STATES OF AMERICA  
and  
ISRAEL**

**Memorandum of Agreement concerning an oil supply arrangement (with annex). Signed at Washington on 26 March 1979**

**Memorandum of Agreement amending the above-mentioned Agreement (with related understanding). Signed at Washington on 22 June 1979**

*Authentic texts: English.*

*Registered by the United States of America on 10 June 1981.*

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**ÉTATS-UNIS D'AMÉRIQUE  
et  
ISRAËL**

**Mémorandum d'accord relatif à un arrangement d'approvisionnement en pétrole (avec annexe). Signé à Washington le 26 mars 1979**

**Mémorandum d'accord modifiant l'Accord susmentionné (avec déclaration interprétative connexe). Signé à Washington le 22 juin 1979**

*Textes authentiques : anglais.*

*Enregistrés par les États-Unis d'Amérique le 10 juin 1981.*

## MEMORANDUM OF AGREEMENT<sup>1</sup> BETWEEN THE GOVERNMENTS OF THE UNITED STATES AND ISRAEL

March 26, 1979

The oil supply arrangement of September 1, 1975, between the Governments of the United States and Israel,<sup>2</sup> annexed hereto, remains in effect. A memorandum of agreement<sup>3</sup> shall be agreed upon and concluded to provide an oil supply arrangement for a total of 15 years, including the 5 years provided in the September 1, 1975 arrangement.

The memorandum of agreement, including the commencement of this arrangement and pricing provisions, will be mutually agreed upon by the parties within sixty days following the entry into force of the Treaty of Peace between Egypt and Israel.

It is the intention of the parties that prices paid by Israel for oil provided by the United States hereunder shall be comparable to world market prices current at the time of transfer, and that in any event the United States will be reimbursed by Israel for the costs incurred by the United States in providing oil to Israel hereunder.

Experts provided for in the September 1, 1975, arrangement will meet on request to discuss matters arising under this relationship.

The United States administration undertakes to seek promptly additional statutory authorization that may be necessary for full implementation of this arrangement.

For the Government  
of Israel:

[Signed — Signé]<sup>4</sup>

For the Government  
of the United States:

[Signed — Signé]<sup>5</sup>

### ANNEX

Israel will make its own independent arrangements for oil supply to meet its requirements through normal procedures. In the event Israel is unable to secure its needs in this way, the United States Government, upon notification of this fact by the Government of Israel, will act as follows for five years, at the end of which period either side can terminate this arrangement on one-year's notice.

(a) If the oil Israel needs to meet all its normal requirements for domestic consumption is unavailable for purchase in circumstances where no quantitative restrictions exist on the ability of the United States to procure oil to meet its normal requirements, the United States Government will promptly make oil available for purchase by Israel to meet all of the aforementioned normal requirements of Israel. If Israel is unable to secure the

<sup>1</sup> Came into force on 26 March 1979 by signature.

<sup>2</sup> Not considered international agreement, subject to registration. Information supplied by the Government of the United States.

<sup>3</sup> See p. 224 of this volume.

<sup>4</sup> Signed by M. Dayan — Signé par M. Dayan.

<sup>5</sup> Signed by Cyrus R. Vance — Signé par Cyrus R. Vance.

necessary means to transport such oil to Israel, the United States Government will make every effort to help Israel secure the necessary means of transport.

(b) If the oil Israel needs to meet all of its normal requirements for domestic consumption is unavailable for purchase in circumstances where quantitative restrictions through embargo or otherwise also prevent the United States from procuring oil to meet its normal requirements, the United States Government will promptly make oil available for purchase by Israel in accordance with the International Energy Agency conservation and allocation formula, as applied by the United States Government, in order to meet Israel's essential requirements. If Israel is unable to secure the necessary means to transport such oil to Israel, the United States Government will make every effort to help Israel secure the necessary means of transport.

Israeli and United States experts will meet annually or more frequently at the request of either party, to review Israel's continuing oil requirement.

## MEMORANDUM OF AGREEMENT<sup>1</sup> BETWEEN THE GOVERNMENTS OF ISRAEL AND THE UNITED STATES

June 22, 1979

Pursuant to the Memorandum of Agreement between the Governments of the United States and Israel signed March 26, 1979,<sup>2</sup> Israel and the United States have entered into the Oil Supply Arrangement set forth herein as follows:

1. Israel will make its own independent arrangements for oil supply to meet its requirements through normal procedures. In the event Israel is unable to secure its needs in this way, the United States Government, upon notification of this fact by the Government of Israel will act as follows:

(a) If the oil Israel needs to meet all its normal domestic requirements is unavailable for purchase in circumstances where no quantitative restrictions exist on the ability of the United States to procure oil to meet its normal requirements, the United States Government will promptly make oil available for purchase by Israel to meet the shortfall in the aforementioned normal requirements of Israel. Oil will be made available to Israel as soon as practicable after notification; the United States will make every effort to ensure this period is less than 60 days.

(b) If the oil Israel needs to meet all of its normal requirements for domestic consumption is unavailable for purchase in circumstances where quantitative restrictions through embargo or otherwise also prevent the United States from procuring oil to meet its normal requirements, the United States Government will promptly make oil available for purchase by Israel in accordance with the International Energy Agency conservation and allocation formula as applied by the United States Government, in order to meet the shortfall in Israel's essential requirements. Oil will be made available to Israel as soon as practicable after notification; the United States will make every effort to ensure this period is less than 60 days.

(c) If Israel is unable to secure the necessary means to transport to Israel oil made available pursuant to this Agreement, the United States Government will make every effort to help Israel secure the necessary means of transport.

2. Prices paid by Israel for oil provided by the United States hereunder shall be comparable to world market prices current at the time of transfer. Israel will, in any event, reimburse the United States for the costs incurred by the United States in providing oil to Israel hereunder.

3. Israeli and United States experts will meet annually or more frequently at the request of either party, to review Israel's continuing oil requirement and to develop and review any necessary contingency implementing arrangements.

4. This Memorandum of Agreement is subject to applicable United States law. The United States administration may seek additional statutory authorization that may be necessary for full implementation of this Memorandum of Agreement.

<sup>1</sup> Came into force on 25 November 1979, in accordance with paragraph 5.

<sup>2</sup> See p. 222 of this volume.

5. This Memorandum of Agreement shall enter into force on November 25, 1979 and shall terminate on November 25, 1994. The oil supply arrangement of September 1, 1975 between the Governments of Israel and the United States shall be in force during the period from the date of this Memorandum of Agreement to November 25, 1994 and shall be performed and implemented in accordance with the provisions of this Memorandum of Agreement.

For the Government  
of the United States:

[Signed — Signé]<sup>1</sup>

For the Government  
of Israel:

[Signed — Signé]<sup>2</sup>

#### RELATED UNDERSTANDING

June 22, 1979

In connection with the Memorandum of Agreement being entered into on this date between the Government of Israel and the Government of the United States, Israel and the United States understand that:

Because of the unique security situation of Israel its oil reserves are and should be at the level equal to six months of Israel's oil consumption; and in this connection U.S. oil supplies should be at such levels that U.S. ability to meet its oil requirements will not be adversely affected.

For the Government  
of the United States:

[Signed — Signé]<sup>1</sup>

For the Government  
of Israel:

[Signed — Signé]<sup>2</sup>

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<sup>1</sup> Signed by Herbert J. Hansell — Signé par Herbert J. Hansell.

<sup>2</sup> Signed by Yaacov Nechushtan — Signé par Yaacov Nechushtan.