

No. 21020

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**UNITED STATES OF AMERICA  
and  
SAUDI ARABIA**

**Letter Agreement concerning technical co-operation in testing of iron ore (with enclosure). Signed at Washington on 5 August 1980 and at Riyadh on 15 September 1980**

*Authentic text: English.*

*Registered by the United States of America on 15 April 1982.*

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**ÉTATS-UNIS D'AMÉRIQUE  
et  
ARABIE SAOUDITE**

**Lettre d'accord concernant la coopération technique pour l'essai d'un minerai de fer (avec pièce jointe). Signée à Washington le 5 août 1980 et à Riyad le 15 septembre 1980**

*Texte authentique : anglais.*

*Enregistrée par les États-Unis d'Amérique le 15 avril 1982.*

## LETTER AGREEMENT<sup>1</sup> BETWEEN THE UNITED STATES OF AMERICA AND SAUDI ARABIA CONCERNING TECHNICAL CO-OPERATION IN TESTING OF IRON ORE

DEPARTMENT OF THE TREASURY  
WASHINGTON, D.C.

August 5, 1980

Dear Dr. Al Turki:

This letter is to confirm our understanding concerning a technical cooperation project (the project) between the Department of the Treasury and the Bureau of the Mines, Department of the Interior of the United States, and the Ministry of Finance and National Economy and the Directorate General of Mineral Resources of the Ministry of Petroleum and Mineral Resources of the Kingdom of Saudi Arabia (DGMR), involving the testing of certain Wadi Sawawin iron-bearing material to assist in determining the feasibility of establishing an iron ore beneficiating plant in Saudi Arabia. The services to be provided by the Bureau of Mines relate to a more comprehensive study performed by British Steel Corporation, Overseas Services Limited (British Steel) as project manager for DGMR for the design and construction of an iron ore beneficiating plant in Saudi Arabia.

The project will be carried out under the auspices of the U.S.-Saudi Arabian Joint Commission on Economic Cooperation and in accordance with the Technical Cooperation Agreement between the United States and Saudi Arabia, signed February 13, 1975,<sup>2</sup> and extended on February 13, 1980,<sup>3\*</sup> which is hereby incorporated by reference.

The Bureau of Mines, as the sole possessor of the requisite technology, has already undertaken several small-scale beneficiation tests of the Wadi Sawawin material to improve the grade by applying a selective flocculation/flotation process. The results have been favorable. Under the project the following additional work will be carried out:

1. 200-250 tons of Wadi Sawawin iron ore will be processed in its pilot plant Twin Cities Research Center in Minneapolis, Minnesota, using the selective flocculation/flotation process to determine whether the beneficiation already carried out on bench scale can be applied with positive results on a larger scale, thus simulating a plant operation.
2. Prepare a written report of the results of the test run on the 200-250 tons of Saudi Arabian iron ore for DGMR and British Steel.

For the testing of this material, British Steel will be responsible for the technical coordination with and the shipping and handling of the samples of Wadi Sawawin ore to the Bureau of Mines Research Center in Minneapolis, Minnesota.

\* Should read "November 25, 1979".

<sup>1</sup> Came into force on 15 September 1980 by signature.

<sup>2</sup> United Nations, *Treaty Series*, vol. 998, p. 209.

<sup>3</sup> *Ibid.*, vol. 1220, p. 364.

The Bureau of Mines estimates the duration of the project to be up to three months (twelve weeks) from the time the iron ore arrives at the Twin Cities Research Center. The costs for the services of the Bureau of Mines under the project are estimated to be U.S. dollars 175,000. (A more detailed description of the costs of the project is enclosed with this letter.) The DGMR, through the project manager, British Steel, agrees to deposit the sum of one hundred seventy-five thousand U.S. dollars (\$175,000) in the Dollar Trust Account in the U.S. Treasury to cover the costs incurred by the United States Government in performing the tests referred to in this letter.

Although no guarantees are provided, the Bureau of Mines anticipates that the information which it derives from the tests will be sufficient for DGMR and British Steel to proceed with the next phase of plant process design. If, however, DGMR or its project manager, British Steel, requires further analysis and testing, the provision of such services will be subject to an agreed upon scope of work and an advance deposit of additional funds in the Dollar Trust Account in the U.S. Treasury to cover the costs of such additional services.

All records of data developed under the project pursuant to this agreement shall be deposited with DGMR through the project manager and shall be the exclusive property of DGMR. The data shall be maintained as confidential by Bureau of Mines prior to publication thereof by DGMR. Such data may, however, be available for use by the parties to the extent required for the protection of their respective security and property interests as they may appear pursuant to the applicable laws and regulations of the respective parties.

The same "force majeure" provisions contained in previous Joint Economic Commission agreements will apply to this agreement.

The arrangements described in this letter may be changed by mutual consent of the parties to the project and may be terminated at any time by the parties to the project upon sixty (60) days written notice or by termination of the Technical Cooperation Agreement between the two countries.

The contents of this letter have been reviewed and approved by the U.S. Bureau of Mines. We would appreciate it if you would confirm that the contents of

this letter also represent the understanding and desire of your Government with respect to the project by signing below and by signing the enclosed copy of the letter.

Sincerely,

[Signed]

LEAMON R. HUNT  
Deputy for Saudi Arabian Affairs

Dr. Mansoor Al Turki  
Coordinator  
United States–Saudi Arabian Joint  
Commission on Economic Co-  
operation  
Riyadh, Saudi Arabia

*Concurrence: [Signed]*

*Date: September 15, 1980*

Deputy Minister for Mineral Resources  
Ministry of Petroleum and Mineral  
Resources

*Concurrence: [Signed — Signé]<sup>1</sup>*

*Date: September 15, 1980*

Enclosures:

1. Cost estimate
2. One copy for signature and return

#### BREAKDOWN OF COST

|   |                  |
|---|------------------|
| Salaries, wages, and administrative charges ..... | \$152,880        |
| Equipment .....                                   | 2,940            |
| Supplies .....                                    | 6,580            |
| Rentals .....                                     | 12,100           |
| Printing and reproduction .....                   | 500              |
| TOTAL   | <u>\$175,000</u> |

<sup>1</sup> Signed by Ghazi Sultan — Signé par Ghazi Sultan.