

No. 7689

**UNITED STATES OF AMERICA
and
SAUDI ARABIA**

Exchange of notes (with appendix II) constituting an agreement relating to the establishment of a television system in Saudi Arabia. Jidda, 9 December 1963 and 6 January 1964

Official text of the notes: English and Arabic.

Official text of the appendix: English.

Registered by the United States of America on 14 April 1965.

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

Échange de notes (avec appendice II) constituant un accord relatif à la création d'un réseau de télévision en Arabie Saoudite. Djeddah, 9 décembre 1963 et 6 janvier 1964

Textes officiels des notes: anglais et arabe.

Texte officiel de l'appendice: anglais.

Enregistré par les États-Unis d'Amérique le 14 avril 1965.

No. 7689. EXCHANGE OF NOTES CONSTITUTING AN AGREEMENT¹ BETWEEN THE UNITED STATES OF AMERICA AND SAUDI ARABIA RELATING TO THE ESTABLISHMENT OF A TELEVISION SYSTEM IN SAUDI ARABIA. JIDDA, 9 DECEMBER 1963 AND 6 JANUARY 1964

I

The American Ambassador to the Saudi Arabian Deputy Minister of Foreign Affairs

Jidda, 9 December 1963

Excellency :

I have the honor to refer to recent discussions concerning the plans of the Saudi Government to inaugurate television broadcast services.

I have been instructed by my Government to confirm that, pursuant to the request of the Saudi Government, and subject to the provisions hereof, the United States Government shall assume responsibility for contracting for the installation of television transmitting facilities, for the training of operating personnel and for the initial operation of the stations. The U.S. Army Corps of Engineers shall carry out these responsibilities on behalf of the United States Government.

The installations and their operation shall be based generally on the report of April 30, 1963, submitted to the Saudi Government by Mr. Edward W. Allen of the U.S. Federal Communications Commission entitled "Report on the Establishment of Television Broadcast Service in Saudi Arabia", a copy of which is appended hereto (Appendix I).² The U.S. Government shall first arrange for the design, construction, installation and operation of two temporary television stations, in Jidda and Riyadh, and for the training of appropriate Saudi personnel. Concurrently, it shall arrange for the design of the permanent stations. Subsequently it shall arrange for the construction and installation of the permanent stations and for their initial operation.

The Saudi Government shall make available in a timely manner all lands, easements and rights-of-way required for the entire project.

In accordance with the Saudi Government's request that the project be implemented as rapidly as possible, contracts for the design, supply of equipment, installation, operational and training aspects of the program shall be

¹ Came into force on 6 January 1964 by the exchange of the said notes.

² The text of this appendix was not included in the copies of the Agreement submitted for registration; according to information provided by the United States of America, the Government of the United States of America does not consider it as constituting an integral part of the Agreement.

negotiated with an American firm or firms which shall be designated in writing by the Saudi Government. Construction contracts for the permanent stations shall be awarded after solicitation of proposals from firms to be selected by the U.S. Army Corps of Engineers. The U.S. Army Corps of Engineers shall utilize its contracting procedures and contract forms with such modifications or adaptations as the Corps in its discretion deems necessary or desirable.

The obligations undertaken by the U.S. Government and the U.S. Army Corps of Engineers are understood to be subject to the following terms and conditions :

1. In the interest of allowing the work undertaken by the U.S. Army Corps of Engineers to proceed as expeditiously as possible, the Saudi Arabian Government shall establish an irrevocable letter of credit to be drawn on as described below to cover costs of design, construction, installation and initial operation of the temporary television stations, training of Saudi personnel and design of the permanent facilities. It is understood that these costs shall include expenses of the U.S. Army Corps of Engineers and reasonable contingencies. This letter of credit shall be established in the form attached hereto as Appendix II¹ or in the approved format of the issuing bank upon presentation by the U.S. Army Corps of Engineers of estimated costs of the operations envisaged for this part of the project. The U.S. Army Corps of Engineers will draw upon the letter of credit by submitting demand drafts on the issuing bank, at approximately one month intervals for costs actually incurred. The U.S. Army Corps of Engineers will provide at one month intervals to the Saudi Arabian Government an accounting of the funds so expended in the format and detail as is mutually agreed upon by the U.S. Army Corps of Engineers and the Saudi Arabian Government.

Prior to awarding of any contracts for the construction and installation of the permanent stations and their initial operation, the Saudi Government shall establish a second letter of credit on the same terms as above, sufficient to cover the costs of the construction and installation of the permanent stations and their initial operation, plus reasonable contingencies and expenses of the U.S. Army Corps of Engineers in administering this phase of the project.

The Saudi Government shall be advised of the amount of unexpended balances remaining upon final fiscal completion of the work involved.

The Chief of Engineers of the U.S. Army Corps of Engineers, acting through the U.S. Army Corps of Engineers Board of Contract Appeals, shall hear and decide appeals taken pursuant to the "Disputes" clause of contracts awarded non-Saudi contractors pursuant to this agreement. The Saudi Government agrees to make such additional funds available as may be necessary to cover the payment of successful claims.

¹ See p. 8 of this volume.