

No. 716

The Embassy of the United States of America presents its compliments to the Department of Foreign Affairs of the Republic of Indonesia and has the honor to refer to discussions between representatives of the two Governments regarding grants under the Foreign Assistance Act of 1961, as amended, or successor legislation, and the furnishing of defense articles, related training, and other defense services, including pursuant to the International Military and Education Training Program, from the United States of America to the Government of the Republic of Indonesia pursuant to the Foreign Assistance Act of 1961, or successor legislation. In this regard, the Embassy refers to the Agreement relating to the furnishing of military equipment, materials and services for a program of civic action, effected by exchange of notes at Djakarta April 14, 1967; the Agreement regarding the furnishing of combat equipment to Indonesia as additional military assistance, effected by exchange of notes at Jakarta August 18 and 19, 1970; the net proceeds Agreement, effected by exchange of notes at Jakarta June 12 and 29, 1974; and the Agreement regarding eligibility for United States military assistance and training pursuant to the International Security Assistance and Arms Export Control Act of 1976, effected by exchange of notes at Jakarta August 3 and 24, 1976.

**DIPLOMATIC NOTE**

In accordance with these discussions, it is proposed that the Government of the Republic of Indonesia agree:

- A. That unless the consent of the Government of the United States of America has been first obtained the Government of the Republic of Indonesia shall not:
- (I) Permit any use of such defense articles, related training, including training materials, or other defense services by anyone not an officer, employee or agent of the Government of the Republic of Indonesia;
  - (II) Transfer, or permit any officer, employee or agent of the Government of the Republic of Indonesia to transfer, such defense articles, related training, including training materials, or other defense services by gift, sale or otherwise; or
  - (III) Use, or permit the use of, such defense articles, related training, including training materials, or other defense services for purposes other than those for which provided;

- B. That such defense articles, related training, including training materials, or other defense services shall be returned to the Government of the United States of America when they are no longer needed for the purposes for which they were furnished, unless the Government of the United States of America consents to another disposition;
  
- C. That the net proceeds of sale received by the Government of the Republic of Indonesia in disposing of, with prior written consent of the Government of the United States of America, any defense article furnished by the Government of the United States of America on a grant basis, including any scrap from any such defense article, shall be paid to the Government of the United States of America;
  
- D. That the Government of the Republic of Indonesia shall maintain the security of such defense articles, related training, including training materials, and other defense services; that it shall provide substantially the same degree of security protection afforded to such defense articles, related training, including training materials, or other defense services by the Government of the United States of America; that it shall, as the Government of the United States of America may require, permit continued observation and review by, and furnish necessary information to, representatives of the Government of the United States of America with regard to the use thereof by the Government of the Republic of Indonesia; and

E. That the Government of the United States of America may also, from time to time, make the provision of articles, services and related training furnished under other authority (except the United States Arms Export Control Act) subject to the terms and conditions of the agreement proposed herein. (Transfers under the United States Arms Export Control Act shall continue to be governed by the requirements of that Act and United States regulations applicable to such transfers.)

It is further proposed that this Agreement shall supersede the above-referenced 1974 agreement in its entirety. The 1967, 1970, and 1976 agreements shall not be affected by this Agreement. This Agreement shall apply to defense articles and defense services to which the superseded 1974 agreement had applied prior to entry into force of this Agreement.

The Ministry of Foreign Affairs' note stating that the foregoing is acceptable to the Government of the Republic of Indonesia shall, together with this note, constitute an agreement between the two Governments, which shall enter into force on the date of the Ministry's note.

The Embassy of the United States of America avails itself of this opportunity to renew to the Department of Foreign Affairs of the Republic of Indonesia the assurances of its highest consideration.

Embassy of the United States of America,

Jakarta, June 29, 2006.





DEPARTMENT OF FOREIGN AFFAIRS  
REPUBLIC OF INDONESIA

No. D - 638/PO/IX/2006/36

The Department of Foreign Affairs of the Republic of Indonesia presents its compliments to the Embassy of the United States of America in Jakarta and acknowledges receipt of the Embassy's note number 716, dated June 29, 2006, which reads as follows:

"The Embassy of the United States of America presents its compliments to the Department of Foreign Affairs of the Republic of Indonesia and has the honor to refer to discussions between representatives of the two Governments regarding grants under the Foreign Assistance Act of 1961, as amended, or successor legislation, and the furnishing of defense articles, related training and other defense services, including pursuant to the International Military and Education Training Program, from the United States of America to the Government of the Republic of Indonesia pursuant to the Foreign Assistance Act of 1961, or successor legislation. In this regard, the Embassy refers to the Agreement relating to the furnishing of military equipment, materials and services for a program of civic action, effected by exchange of notes at Djakarta, April 14, 1967; the Agreement regarding the furnishing of combat equipment to Indonesia as additional military assistance, effected by exchange of notes at Jakarta, August 18 and 19, 1970; the net proceeds Agreement, effected by the exchange of notes at Jakarta, June 12 and 29, 1974; and the Agreement regarding eligibility for United States military assistance and training pursuant to the International Security Assistance and Arms Export Control Act of 1976, effected by exchange of notes at Jakarta, August 3 and 24, 1976.

In accordance with these discussions, it is proposed that the Government of the Republic of Indonesia agrees:

- A. That unless the consent of the Government of the United States of America has been first obtained the Government of the Republic of Indonesia shall not:
  - (i) Permit any use of such defense articles, related training, including training materials, or other defense services by anyone not an officer, employee or agent of the Government of the Republic of Indonesia;
  - (ii) Transfer, or permit any officer, employee or agent of the Government of the Republic of Indonesia to transfer, such defense articles, related training, including training materials, or other defense services by gift, sale or otherwise; or
  - (iii) Use, or permit the use of, such defense articles, related training, including training materials, or other defense services for purposes other than those for which provided;
- B. That such defense articles, related training, including training materials, or other defense services shall be returned to the Government of the United States of America when they are no longer needed for the purposes for which they were furnished, unless the Government of the United States of America consents to another disposition;

- C. That the net proceeds of sale received by the Government of the Republic of Indonesia in disposing of, with prior written consent of the Government of the United States of America, any defense article furnished by the Government of the United States of America on a grant basis, including any scrap from any such defense article, shall be paid to the Government of the United States of America;
- D. That the Government of the Republic of Indonesia shall maintain the security of such defense articles, related training, including training materials, or other defense services; that it shall provide substantially the same degree of protection afforded to such defense articles, related training, including training materials, or other defense services by the Government of the United States of America; that it shall, as the Government of the United States of America may require, permit continued observation and review by, and furnish necessary information to, representatives of the Government of the United States of America with regard to the use thereof by the Government of the Republic of Indonesia; and
- E. That the Government of the United States of America may also, from time to time, make the provision of articles, services and related training furnished under other authority (except the United States Arms Export Control Act) subject to the terms and conditions of the agreement proposed therein. (Transfer under the United States Arms Export Control Act shall continue to be governed by the requirements of that Act and United States regulations applicable to such transfers.)

It is further proposed that this Agreement shall supersede the above-referenced 1974 agreement in its entirety. The 1967, 1970 and 1976 agreements shall not be affected by this Agreement. This Agreement shall apply to defense articles and defense services to which the superseded 1974 agreement had applied prior to entry into force of this Agreement.

The Ministry of Foreign Affairs' note stating that the foregoing is acceptable to the Government of the Republic of Indonesia shall, together with this note, constitute an agreement between the two Governments, which shall enter into force on the date of the Ministry's note.

The Embassy of the United States of America avails itself of this opportunity to renew to the Department of Foreign Affairs of the Republic of Indonesia the assurances of its highest consideration."

The Department of Foreign Affairs of the Republic of Indonesia has the honor to confirm that the proposals set forth in the Embassy's note are acceptable to the Government of the Republic of Indonesia and that the Embassy's note and this note in reply shall constitute an Agreement between the two governments which shall enter into force on this date.

The Department of Foreign Affairs of the Republic of Indonesia avails itself of this opportunity to renew to the Embassy of the United States of America in Jakarta the assurances of its highest consideration.

Jakarta, 6 September 2006

The Embassy of the  
United States of America  
in Jakarta, Indonesia

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