

ORIGINAL DOCUMENTS IN SAFE

Case No. 83

Date of filing 27 July 1983

✓ AWARD. Date of Award 27 July 1983

4 pages in English. 3 pages in Farsi.

attachment

83-56

17-27

DECISION. Date of Decision _____

_____ pages in English. _____ pages in Farsi.

ORDER. Date of Order _____

_____ pages in English. _____ pages in Farsi.

CONCURRING OPINION of _____

Date _____ pages in English. _____ pages in Farsi.

DISSENTING OPINION of _____

Date _____ pages in English. _____ pages in Farsi.

OTHER; Nature of document: _____

Date _____ pages in English. _____ pages in Farsi.

CASE NO. 83

CHAMBER TWO

AWARD NO. 60-83-2

REYNOLDS METALS COMPANY,

Claimant,

- and -

ISLAMIC REPUBLIC OF IRAN;
INDUSTRIAL DEVELOPMENT AND
RENOVATION ORGANIZATION OF IRAN;
IRANIAN ALUMINIUM COMPANY (IRALCO),

Respondents.

IRAN UNITED STATES CLAIMS TRIBUNAL	دادگاه دآوری دعاوی ایران - ایالات متحدہ
ثبت شد - FILED	
۱۳۶۲ / ۵ / ۵	تاریخ
27 JUL 1983	
83	شماره
۸۳	

AWARD ON AGREED TERMS

DUPLICATE
ORIGINAL
نسخه برابر اصل

The Claimant, REYNOLDS METALS COMPANY, and the Respondents herein, THE ISLAMIC REPUBLIC OF IRAN, the INDUSTRIAL DEVELOPMENT AND RENOVATION ORGANIZATION OF IRAN (IDRO), and the IRANIAN ALUMINIUM COMPANY (IRALCO), have entered into a Settlement Agreement dated 29 June 1983, resolving the matters in dispute between them, whereby it is agreed, inter alia, that the Respondents are indebted to the Claimant in the amount of US\$ 367,900.00, and that the Claimant upon the signing of the Settlement Agreement shall provide IRALCO with technical documentation as agreed and specified between the Parties on 1 April 1983 and as listed in Exhibit A, attached to the Settlement Agreement. The Settlement Agreement was signed by the Parties.

On 30 June 1983 the same Parties filed with the Tribunal a Joint Request for an Arbitral Award on agreed terms to be rendered recording and giving effect to the said Settlement Agreement, as foreseen in Article 34 (1) of the Tribunal Rules. A copy of the Settlement Agreement, its Exhibit A and the Joint Request is attached hereto.

The Tribunal has satisfied itself that it has jurisdiction in this matter within the terms of the Declaration of the Democratic and Popular Republic of Algeria concerning the Settlement of Claims by the Government of the United States of America and the Islamic Republic of Iran of 19 January 1981.

For the foregoing reasons

THE TRIBUNAL AWARDS AS FOLLOWS:

The Settlement Agreement and the Exhibit A attached thereto filed with the Joint Request is hereby accepted and recorded as an Award on agreed terms, binding on both Parties, in full settlement of the entire case.

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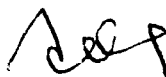
Consequently, the Respondents, THE ISLAMIC REPUBLIC OF IRAN; THE INDUSTRIAL DEVELOPMENT & RENOVATION ORGANIZATION OF IRAN (IDRO), and the IRANIAN ALUMINIUM COMPANY (IRALCO), are obligated to pay the Claimant the sum of Three Hundred Sixty Seven Thousand Nine Hundred United States Dollars (US\$ 367,900.00) which obligation shall be satisfied by payment out of the Security Account established pursuant to paragraph 7 of the Declaration of the Democratic and Popular Republic of Algeria of 19 January 1981.

Consequently, also, the Claimant, REYNOLDS METALS COMPANY, is obligated to provide IRALCO with technical documentation as agreed and specified between the Parties on 1 April 1983 and as listed in Exhibit A, attached to the Settlement Agreement.

This Award is hereby submitted to the President of the Tribunal for notification to the Escrow Agent.

Dated, The Hague

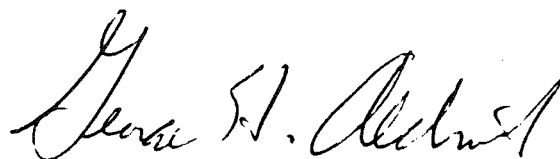
27 July 1983



Pierre Bellet
Chairman
Chamber Two

In the name of God

Shafie Shafeiei



George Aldrich

Having been notified to be available to participate in Chamber deliberations and proceedings during the period from 6 July to 31 July 1983, Mr. Shafeiei has absented himself and failed to inform the Chamber of any address or telephone number where he can be reached.

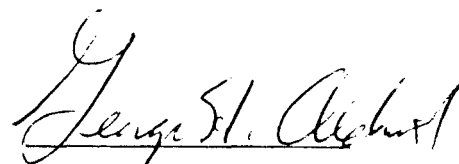
Only yesterday afternoon, too late to be of any use, did Mr. Shafeiei's legal assistant give the Tribunal a telephone number in another country where Mr. Shafeiei might be reached.

The Chairman of the Chamber had a letter delivered to Mr. Shafeiei's office on 20 July enclosing the draft of the present award, informing Mr. Shafeiei of the place and time of signature and inviting him to attend the signing.

Dated The Hague
27 July 1983



Pierre Bellet
Chairman
Chamber Two


George H. Aldrich

BEFORE THE
IRAN-UNITED STATES CLAIMS TRIBUNAL
THE HAGUE, THE NETHERLANDS

REYNOLDS METALS COMPANY,

Claimant,

v.

ISLAMIC REPUBLIC OF IRAN;

-and-

INDUSTRIAL DEVELOPMENT & RENOVATION
ORGANIZATION OF IRAN;

-and-

IRANIAN ALUMINUM COMPANY (IRALCO),

Respondents.

Claim No. 83
Chamber No. 2

IRAN UNITED STATES CLAIMS TRIBUNAL	دادگاه داوران ایران - ایالات متحده
فایلد - ثبت شد	
Date ۱۳۶۲ / ۴ / ۹	
30 JUN 1983	
No 83	۱۲

JOINT REQUEST FOR ARBITRAL AWARD
ON AGREED TERMS

Pursuant to Article 34 of the Tribunal's Provisional Rules of Procedure, Claimant and Respondents in Claim No. 83 jointly request that the Tribunal issue an arbitral award on agreed terms that will record and give effect to the Settlement Agreement reached by the parties.

On June 29, 1983, representatives of all parties to Claim No. 83 entered into a Settlement Agreement, a copy of which is attached hereto, resolving all claims and counterclaims now existing or capable of arising in connection with Claim No. 83 before the Tribunal. The parties to the Settlement Agreement

agree that the Respondents will pay Reynolds Metals Company the sum of Three Hundred Sixty Seven Thousand Nine Hundred United States Dollars (U.S. \$367,900.00) in complete and final settlement of all claims and counterclaims in Claim No. 83.

Accordingly, the parties request the Tribunal to record the Settlement Agreement as an arbitral award on agreed terms, with full payment to Reynolds Metals Company to be made out of the Security Account.

in the name of God

For Islamic Republic of Iran

Mohammad K. Eshragh



For Industrial Development &
Renovation Organization of
Iran

For Reynolds Metals Company

William A. Farrell

William A. Farrell

SHAHBAZ HAMZIANPOUR

For Iranian Aluminum Company

Shahbaz Hamzianpour

IN The Name of God

This Agreement is signed on this 29th day of June 1983 between Iran Aluminium Company-IRALCO hereinafter called IRALCO and Reynolds Metals Company hereinafter called Reynolds, Reynolds and IRALCO shall collectively be referred to as Parties in this Agreement.

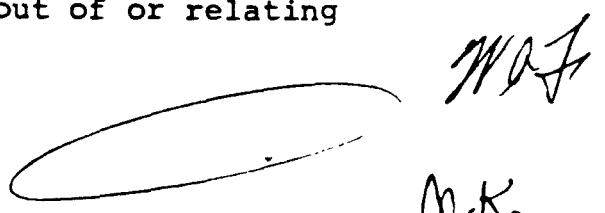
WHEREAS : Contracts were made between Reynolds International Inc., and IRALCO for the purpose of giving design for the construction of an aluminium factory and rendering services and technical assistance in relation to the operation thereof.

WHEREAS : Some invoices have been remained unpaid in relation to the abovementioned Contracts.

WHEREAS : Reynolds claimed on behalf of Reynolds International, by filing Statement of Claim No. 83, before Iran-United States Claims Tribunal, hereinafter called Tribunal, against the Government of Islamic Republic of Iran, Industrial Development Renovation Organization of Iran, hereinafter referred to as I.D.R.O., The Government of Islamic Republic of Iran, I.D.R.O., and IRALCO shall collectively be referred to as Respondents and Reynolds, Reynolds International Inc., and Reynolds Aluminium International Services shall collectively be called Claimants in this Agreement.

WHEREAS : In defence to the said Statement of Claims, Statements of Defence and Counterclaim were filed by the Respondents.

WHEREAS : The Claimants and Respondents jointly and severally desire to resolve their disputes resulting from, arising out of or relating



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to the past business relationship among IDRO, IRALCO and Reynolds International and the predecessors, successors and affiliates of the said entities, including without limitation, all presented by any of them by way of Claim or Counterclaim in connection with Case No. 83, now pending before Iran-United States Claims Tribunal.

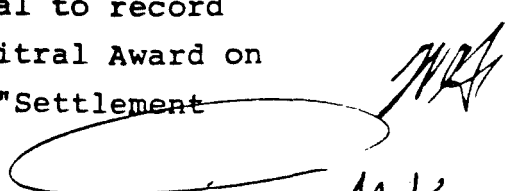
WHEREAS : IRALCO is authorized to sign this Agreement, on behalf of IDRO.

WHEREAS : The Claimants and Respondents agreed to settle their differences in accordance with the terms and conditions of this Agreement, as shall be specified below :

Now therefore the Claimants and Respondents shall agree as follows :

ARTICLE 1: In full and final settlement of all Claims and Counterclaims arising from, based upon or in relation to Claim No. 83, Respondents shall pay or cause to be paid from the Security Account the sum of three hundred sixty-seven thousand nine hundred United States Dollars (U.S.\$367,900.00) to the Claimants, hereinafter called the Settlement Amount, and the Claimants upon signing of this Agreement shall provide IRALCO with technical documentation as agreed and specified between the Parties on April 1, 1983. The list of the said documents is attached hereto as Exhibit A.

ARTICLE 2: Pursuant to Article 34 of the Tribunal's Provisional Rules of Procedures, the Parties shall jointly request the Tribunal to record this Agreement and render an arbitral Award on Agreed Terms for the payment of "Settlement



Amount" as specified in Article 1 hereabove.

ARTICLE 3: Upon execution of this Agreement, all Contracts between Reynolds International and IRALCO referred to in the Statements of Claim and Counterclaim shall be considered terminated and the Parties shall be released of any and all rights, liabilities and obligations thereunder.

ARTICLE 4: The Representatives of the Parties hereto expressly declare that they are duly empowered to sign this Agreement and their signatures will commit their respective principals to fulfillment of their obligations under this Agreement.

ARTICLE 5: Upon execution of this Agreement, Claimants, Respondents, their predecessors, successors, affiliates, subsidiaries, assigns, transferees, officers and any other real or judicial person pertaining thereto or connected therewith shall be barred to proceed with, commence or continue with any legal proceeding before Iran-United States Claims Tribunal or any other Court or Tribunal, including any Court of Law or Jurisdiction in the United States of America, in relation to the past business relationship among Claimants and Respondents, including without limitation all presented by way of Claim or Counterclaim in connection with Case No. 83, now pending before Iran-United States Claims Tribunal.

ARTICLE 6: Upon execution of this Agreement, all litigations between Claimants, Respondents, their predecessors, successors, affiliates, subsidiaries, assigns, transferees and/or any juridical or real person pertaining thereto or connected therewith, pending


M.K.

before any Court or Tribunal including Iran-United States Claims Tribunal and any Court or Tribunal in the United States shall be considered terminated.

ARTICLE 7: Reynolds and IRALCO agree to hold the amount and particulars of this Settlement Agreement in confidence for a period of five years and to disclose its details only to those persons within the Governments of the Islamic Republic of Iran and the United States of America who have a need for access to such information and further to request those persons to treat the information as confidential.

ARTICLE 8: It is understood that this Settlement Agreement is made out in a spirit of private settlement of disputes and shall not affect any position of Claimants or Respondents in any matter other than Case No. 83, and Claimants and Respondents further agree that they shall not use, or cause any Third Party to use, this Settlement Agreement in the prosecution or defence of any other claim to which they may be a Party.

The premises shall form part of this Agreement.

Signed and executed on this 29th June, 1983.

For Claimants :

Reynolds Metals Company

William H. Farnell
Reynolds International Inc.

William H. Farnell
Reynolds Aluminium International
Services

William H. Farnell

in the name of God
For Respondents :
Mohammed K. Estvagh

Islamic Republic of Iran

IRAN Aluminium Co.
(IRALCO)

HAMZIAN POUR

Industrial Development and
Renovation Organization of Iran.

HAMZIAN POUR

M.K.

EXHIBIT A

IN the name of GOD

1 April, 1983

Reynolds will provide technical recommendations and information to IRALCO free of charge for the following subjects relating to the Arak Smelter.

1. ANODE STEMS

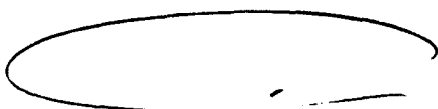
- 1.1. Provide welding procedures for the joining of aluminum stems to steel stubs by a bimetallic plate.
- 1.2. Provide available design data for anode clamps
- 1.3. Provide data and Reynolds experience in the conversion from copper to aluminum stem material
- 1.4. Provide recommendations on the use of two anodes per stem and the possibilities of increasing the size of anode to approximately double
- 1.5. Advice on Reynolds experience in individual anode stem current measurement.

2. ANODE SETTING AND ADJUSTMENT

- 2.1. Provide methods and procedures as practiced by Reynolds to achieve accurate anode setting.
- 2.2. Provide design and bill of materials for conversion of manual system of anode adjustment to mechanical by use of pneumatic motors.

3. MOLTEN METAL HANDLING

- 3.1. Provide equipment and method descriptions for vacuum crucible tapping of metal from pots
- 3.2. Investigate suppliers of equipment for the material handling of crucibles and mechanized transportation.



WJ
M.K.

4. CATHODE

- 4.1. Provide raw material specifications, rebuilding specifications including insulation for the IRALCO type cell
- 4.2. Provide list of qualified suppliers of cathode construction materials
- 4.3. Provide Reynolds standard practices for cathode bake-out including the "metal bake" techniques

5. REDUCTION CELL OPERATIONS

- 5.1. Provide Reynolds plant practices in the areas which would affect energy consumption, specifically for exterior electrical connections.
- 5.2. Review and supply applicable studies which have been made on the Reynolds cells for magnetic field effects and recommend use by IRALCO
- 5.3. Provide data relating to the characteristics of the metal pad
- 5.4. Provide Reynolds plant operating data for comparison to IRALCO results
- 5.5. Provide specific published data which can be applied to the IRALCO operations from sources such as A.I.M.E. etc., in Reynolds possession and identify other sources to IRALCO.

6. ANODE RODDING OPERATION

- 6.1. Provide general design requirements for large size anode material handling and arrangements for mechanizing the existing IRALCO facility
- 6.2. Investigate alternate means of carbon removal from "spent" assemblies
- 6.3. Investigate improvements for the removal of cast iron from stub assemblies

M.R.
M.K.

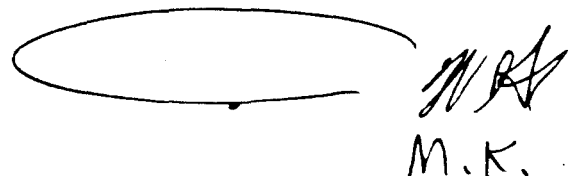
- 6.4. Recommended mechanical means of carbon butt cleaning
- 6.5. Provide general design requirement for the carbon butt crushing and the detection and removal of cast iron and steel materials.

7 OTHER

- 7.1. Provide methods and techniques utilized by Reynolds for steel welding in magnetic fields
- 7.2. Provide information regarding the effect of sulphur in calcined petroleum coke in the reduction operation
- 7.3. Provide any information or experience of Reynolds for the petroleum coke of Argentina offered to IRALCO.

In addition Reynolds will prepare an engineering study relating to the proposed expansion of the Arak smelter. The study will investigate the following alternatives.

- 8. Expand by use of existing reduction technology and the original plan of 1978
- 9. Expand with a modern type, high amperage cell utilizing the existing new potroom buildings with end to end configuration
- 10. Expand with a modern type, high amperage cell utilizing the existing new potroom buildings with side by side configuration
- 11. Expand in the same method of No.10 except modify building to inclose the courtyard areas
- 12. Expand the plant with the Reynolds technology as utilized in Germany, Venezuela and Brazil in the best use of plant property at Arak.


M.K.

A written report of the results of this study will be provided to IRALCO, including economic cost comparisons of the alternatives.

The technical recommendations, information and study described in this document will be provided to IRALCO not later than 31 May 1983.



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