

ORIGINAL DOCUMENTS IN SAFE

98

Case No.

B31

Date of filing:

11. July 88

**\*\* AWARD**

- Type of Award

on agreed terms

- Date of Award

8. July 88

4

pages in English

4

pages in Farsi

**\*\* DECISION**

- Date of Decision

pages in English

pages in Farsi

**\*\* CONCURRING OPINION** of

- Date

pages in English

pages in Farsi

**\*\* SEPARATE OPINION** of

- Date

pages in English

pages in Farsi

**\*\* DISSENTING OPINION** of

- Date

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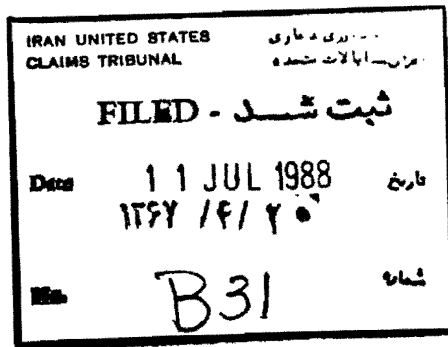
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**\*\* OTHER; Nature of document:**

- Date

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CASE NO. B31

98

CHAMBER THREE

AWARD NO. 376-B31-3



THE UNITED STATES OF AMERICA,  
Claimant,  
and

THE ISLAMIC REPUBLIC OF IRAN, et al.,  
Respondents.

AWARD ON AGREED TERMS

1. THE NATIONAL BUREAU OF STANDARDS OF THE UNITED STATES DEPARTMENT OF COMMERCE (an agency of the Government of the United States) ("the Claimant") submitted a Statement of Claim on 19 January 1982 against THE ISLAMIC REPUBLIC OF IRAN ("Iran"), IRAN ELECTRONICS INDUSTRY ("IEI"), IRAN AIRCRAFT INDUSTRIES ("IACI"), NATIONAL IRANIAN COPPER INDUSTRIES COMPANY ("NICIC"), TEHRAN POLYTECHNIC INSTITUTE ("TPI") and NATIONAL IRANIAN OIL COMPANY ("NIOC") (agencies of the Government of the Islamic Republic of Iran) (collectively the "Respondents").

2. On 1 February 1983 the Claimant requested the Tribunal to withdraw its claim against IEI. On 23 October 1984 IEI agreed to the Claimant's request. On 17 December 1984 the Tribunal terminated the proceedings against IEI.

3. NICIC, IACI and NIOC submitted their Statements of Defense on 7 March 1983, 2 June 1983 and 23 October 1984, respectively. NICIC submitted a Counterclaim together with its Statement of Defense. TPI submitted a letter on 3 March 1983 in which it accepted the debt claimed by the Claimant.

4. On 7 June 1988 a Joint Request for an Arbitral Award on Agreed Terms (the "Joint Request") was filed with the Tribunal, signed by the Agent of the Government of the Islamic Republic of Iran and by the Agent of the Government of the United States of America. Attached thereto was a Settlement Agreement signed by IACI and the Claimant. In the Joint Request the Tribunal was requested to terminate the Case in its entirety and to record the Settlement Agreement as an Arbitral Award on Agreed Terms. The Settlement Agreement is annexed to the Joint Request and incorporated by reference.

5. In the Joint Request the Claimant withdrew its claims against TPI, NIOC and NICIC and requested the Tribunal to terminate the claims against these Respondents. NICIC, in a separate document attached to the Joint Request, reciprocal-

ly withdrew its Counterclaim against the Claimant and agreed to the withdrawal of the Claimant's claim.

6. The Settlement Agreement provides in Article III that the sum of one thousand two hundred and thirty eight United States dollars (U.S.\$1,238) ("Settlement Amount") shall be paid to the Claimant by IACI "[i]n consideration of full and final settlement of all disputes, differences, claims and matters which are within the scope and subject matter of this Settlement Agreement ...."

7. The Settlement Agreement in Article IV provides that, upon issuance of the Award on Agreed Terms, the Claimant and IACI shall, among other reciprocal obligations, dismiss, withdraw and terminate any judicial or administrative proceedings between them, including proceedings before this Tribunal concerning disputes, differences, claims, and matters brought by the Claimant and IACI against each other, "stated in, related to, arising from or capable of arising from the subject matter of the Claim, and/or this Settlement Agreement...."

8. The Tribunal finds that the provisions of the Settlement Agreement and the Joint Request satisfy the conditions for the issuance of an Award on Agreed Terms in accordance with Article 34 of the Tribunal Rules and the standards applicable thereto. The Tribunal thus determines that an Award on Agreed Terms can be issued and that the request for the termination of the claims against TPI, NIOC and NICIC and of the counterclaim is hereby granted.

9. Based on the foregoing,

THE TRIBUNAL AWARDS AS FOLLOWS:

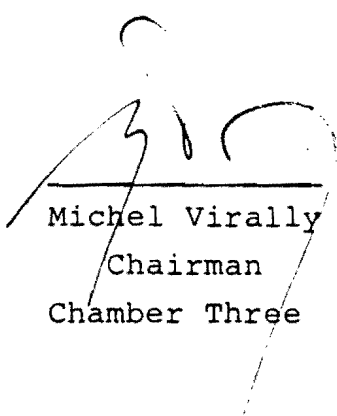
- a) The Settlement Agreement is hereby recorded as an Award on Agreed Terms binding on THE NATIONAL BUREAU OF STANDARDS OF DEPARTMENT OF COMMERCE (an

agency of the Government of the United States), THE ISLAMIC REPUBLIC OF IRAN and IRAN AIRCRAFT INDUSTRIES each of which is bound to fulfill the terms and conditions set forth in the Settlement Agreement.

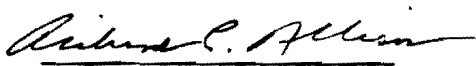
- b) The payment obligation specified in Article III of the Settlement Agreement in the amount of One Thousand Two Hundred and Thirty Eight United States Dollars (U.S.\$1,238) shall be satisfied by payment to THE NATIONAL BUREAU OF STANDARDS OF DEPARTMENT OF COMMERCE out of the Security Account established pursuant to paragraph 7 of the Declaration of the Government of the Democratic and Popular Republic of Algeria dated 19 January 1981.
- c) The proceedings against the Respondents THE ISLAMIC REPUBLIC OF IRAN, TEHRAN POLYTECHNIC INSTITUTE, NATIONAL IRANIAN OIL COMPANY and NATIONAL IRANIAN COPPER INDUSTRIES COMPANY are hereby terminated.

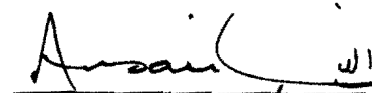
This Award is submitted to the President of the Tribunal for the purpose of notification to the Escrow Agent.

Dated, The Hague  
8 July 1988

  
Michel Virally  
Chairman  
Chamber Three

In the name of God

  
Richard C. Allison

  
Parviz Ansari Moin

IN THE NAME OF GOD

96

Before the  
Iran-United States Claims Tribunal  
The Hague, The Netherlands

|                                       |               |                                           |
|---------------------------------------|---------------|-------------------------------------------|
| IRAN UNITED STATES<br>CLAIMS TRIBUNAL |               | دادگاه دادرسی دعاوی<br>ایران-ایالات متحده |
| فایلد - ثبت شد                        |               |                                           |
| Date                                  | 7 Jan 1988    | تاریخ                                     |
|                                       | ۱۳۶۷ / ۱ / ۱۷ |                                           |
| No.                                   | B31           | شماره                                     |

Case No. B31

Chamber Three

JOINT REQUEST FOR ARBITRAL AWARD ON AGREED TERMS

I. On December 29, 1987, National Bureau of Standards of Department of Commerce, the United States (hereinafter "Claimant") and Iran Aircraft Industries ("IACI") entered into a Settlement Agreement, a copy of which is attached hereto, providing that Claimant will be paid the amount of US\$1,238 (one thousand two hundred and thirty eight United States dollars) in complete, full and final settlement of all claims, disputes and differences existing or capable of arising between them and/or between Claimant and the Islamic Republic of Iran ("Iran").

Pursuant to Article 34 of the Tribunal Rules of Procedure, Claimant and IACI jointly request the Iran-United States Claims Tribunal ("the Tribunal") to issue an Arbitral Award on Agreed Terms that will record and give effect to the said Settlement Agreement;

II. Claimant hereby irrevocably and forever withdraws its claims against Tehran Polytechnic Institute and the National Iranian Oil Company, and requests the Tribunal to terminate the claims against these two entities.

III. Claimant confirms that it has previously (on April 21, 1983) withdrawn its claims against the National Iranian Copper Industries Company (the NICIC), and hereby also irrevocably and forever withdraws its claims concerning the NICIC.

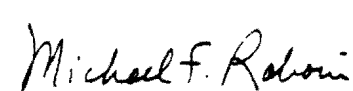
Also, in a separate document annexed hereto, the NICIC has reciprocally withdrawn its counterclaims against Claimant, and agreed to the withdrawal of claims by Claimant;

The undersigned request the Tribunal to issue an Arbitral Award on Agreed Terms and terminate Case No.B31 in its entirety and with prejudice.

Respectfully submitted,



Mohammad K. Eshragh  
Agent of the Government of  
the Islamic Republic of Iran to  
the Iran-United States Claims  
Tribunal

  
Timothy E. Ramish  
Agent of the Government of the  
United States of America to the  
Iran-United States Claims Tribunal

ثبت شد - FILED

Date 7 Jan 1988 تاریخ

۱۳۶۷/۱/۱۷

No. B31 شماره

IN THE NAME OF GODSettlement Agreement Between Iran Aircraft Industries  
and the National Bureau of Standards in Case No. B31

This Settlement Agreement is made this *28 January* day of 1987 by and between the National Bureau of Standards (Department of Commerce), an agency of the United States Government (hereinafter called "Claimant") on the one part, and Iran Aircraft Industries (hereinafter called "IACI"), on the other part.

Whereas, Claimant has filed with the Iran-United States Claims Tribunal (hereinafter called "the Tribunal"), a Statement of Claim, raising inter alia a claim against the IACI and the Islamic Republic of Iran ("Iran") in Case No. B31 (hereinafter referred to as "the Claim");

Whereas, IACI in responding to the Claim has filed its Statement of Defense;

Whereas the parties (the parties being defined as Claimant and IACI) have agreed to settle all of their claims, disputes and differences arising from, related to, or stated in the Claim between them and/or between Claimant and Iran;

Now, therefore, in consideration of, and under the conditions set forth herein, the parties agree as follows:

Article I

The scope and subject matter of this Settlement Agreement is to settle, withdraw, dismiss and terminate forever and with prejudice all disputes, differences, claims and matters directly or indirectly raised or capable of arising out of the relationships, occurrences, contracts, transactions, rights and interests related to and the subject matter of the Claim, between Claimant and IACI, and, or between Claimant and Iran in Case No. B31.

Article II

This Settlement Agreement is to be submitted to the Tribunal on, or before June 10, 1988. If this Settlement Agreement is not submitted by such date, or within such additional time as the Parties may agree, then it shall automatically become null and void, and the Parties, without prejudicing their respective rights, will be placed in the same position as they were prior to the date of this Settlement Agreement.

Article III

In consideration of full and final settlement of all disputes, differences, claims and matters which are within the scope and subject matter of this Settlement Agreement as specified in Article I above, the sum of one thousand, two hundred and thirty eight United States dollars (US\$1,238) will be paid to Claimant by Iran Aircraft Industries out of the Security Account established pursuant to Paragraph 7 of the Declaration of the Government of the Democratic and Popular Republic of Algeria dated January 19, 1981.

Article IV

(i) Upon issuance of the Award on Agreed Terms by the Tribunal, Claimant shall cause, without delay and with prejudice, all proceedings in relation to disputes, differences, claims and matters brought by Claimant against IACI, stated in, related to, arising from, or capable of arising from the subject matter of the Claim, and/or this Settlement Agreement as specified in Article I above, in all courts, fora or any authorities or administrative bodies, to be dismissed, withdrawn and terminated. Claimant shall be barred from instituting and/or continuing with any such proceedings in relation thereto before the Tribunal or any other fora, authorities or administrative bodies whatsoever, including but not limited to any courts in the United States of America or in the Islamic Republic of Iran.

(ii) Upon the issuance of the Award on Agreed Terms, IACI shall cause, without delay and with prejudice, all proceedings in relation to disputes, differences, claims and matters brought by IACI against Claimant, stated in, related to, arising from or capable of arising from the subject matter of the Claim, and/or this Settlement Agreement as specified in Article I above in all courts, fora or any authorities or administrative bodies, to be dismissed, withdrawn and terminated. IACI shall be barred from instituting and/or continuing with any such proceedings in relation thereto before the Tribunal or any other fora, authorities or administrative bodies whatsoever, including but not limited to any courts in the United States of America or in the Islamic Republic of Iran.

Article V

In consideration of the covenants, premises, and other agreements contained herein, upon the issuance of the Award on Agreed Terms by the Tribunal, Claimant and IACI shall release and forever discharge each other, their affiliates, agencies and instrumentalities, and Claimant shall release and forever discharge Iran from any claims, rights, interests, and obligations, past, present or future, which have been raised, may in the future be raised or could have been raised in connection with disputes, differences, claims and matters stated in, related to, arising from, or capable of arising from the subject matter of the Claim, and/or this Settlement Agreement as specified in Article I above.

Should any claims be pending or filed by a third party in any courts or fora against either of the parties hereto based on any assignment or transfer of rights hereby discharged, from one of the parties hereto, the party who has effected or caused such assignment or transfer of the rights shall indemnify and keep the other party harmless from such claims, and shall be exclusively liable to such third party.

Article VI

Upon the issuance of the Award on Agreed Terms, Claimant and IACI shall waive any and all claims for costs (including attorney's fees) arising out of or related to the arbitration, prosecution or defense of the claims asserted before the Tribunal, United States courts or elsewhere with respect to matters involved in the Claim, and/or in this Settlement Agreement.

Article VII

Upon the issuance of the Award on Agreed Terms, the obligations, declarations, releases, withdrawals and dismissals, contained in this Settlement Agreement shall become self-executing. After the issuance of the Award on Agreed Terms by the Tribunal no further documents need to be executed in implementing the provisions of this Agreement.

Article VIII

(1) It is agreed that this Settlement Agreement is made in a spirit of private settlement of disputes, that it shall be null and void if not approved by the Tribunal and that it shall not affect any position of the Parties hereto in any matters other than the Claim. The Parties further agree that they shall not use, or cause any person to use this Settlement Agreement in the prosecution or defense of any cases before the Tribunal or any other forum, except that the Parties may use this Agreement for the purpose of implementing its terms.

(2) This Settlement Agreement is for the sole purpose of settling the Claim. Nothing in this Settlement Agreement shall be relied upon or construed as relevant to, or to affect in any way, any argument IACI, Iran, its agencies, instrumentalities and affiliates, have raised, or may raise, concerning the jurisdiction or the merits of other cases whether before the Tribunal or any other forum.

Article IX

For the purpose of construction and interpretation of this Settlement Agreement, the entire agreement shall be read and construed as a whole without giving any specific effect to any article separately.

Article X

The representatives of the Parties hereby expressly declare that they are duly empowered to sign this Agreement.

Article XI

This Settlement Agreement has been written and signed in both languages of English and Farsi and each text shall have the same and equal validity.

Iran Aircraft Industries

National Bureau of Standards,  
Department of Commerce, the USA

By  \_\_\_\_\_

By \_\_\_\_\_

Date \_\_\_\_\_

Date \_\_\_\_\_

In the name of God

Iran- US Claims Tribunal

Chamber 3

Subject : Case B 31

Respected chairman and Justices of Chamber 3

In respect of claimant's request for withdrawing its claim provided counter claim of National Iranian Copper Co. shall also be withdrawn, it is respectfully submitted that in spite of the fact that claimant's immaterial claim has cost us time and expenses and besides, it has made this company to purchase its required commodity at a higher price, nevertheless, as a sign of goodwill on the part of Iranian entities to settle existing cases, we hereby agree with claimant's proposal and state our consent for our counter claim to be withdrawn.

Respectfully

Mahmoud Shiri, Managing Director of  
National Iranian Copper Co.