

UNITED STATES  
OF AMERICA



Treaty Series No. 60 (1988)

# Exchange of Notes

between the Government of the  
United Kingdom of Great Britain and Northern Ireland  
and the Government of the United States of America

concerning the British Indian Ocean Territory  
and Operations and Construction Contracts  
on Diego Garcia

Washington, 16 November 1987

[The Agreement entered into force on 16 November 1987]

*Presented to Parliament  
by the Secretary of State for Foreign and Commonwealth Affairs  
by Command of Her Majesty  
October 1988*

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**EXCHANGE OF NOTES  
BETWEEN THE GOVERNMENT OF THE  
UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND  
AND THE GOVERNMENT OF THE UNITED STATES OF AMERICA  
CONCERNING THE BRITISH INDIAN OCEAN TERRITORY  
AND OPERATIONS AND CONSTRUCTION CONTRACTS  
ON DIEGO GARCIA**

No. 1

*The Secretary of State of the United States of America to  
Her Majesty's Ambassador at Washington*

*Department of State  
Washington*

*November 16 1987*

Excellency:

I have the honor to refer to recent discussions between representatives of our two Governments regarding the exchange of notes between the Government of the United States of America and United Kingdom of Great Britain and Northern Ireland concerning the availability for defense purposes of the British Indian Ocean Territory signed in London on December 30, 1966<sup>1</sup> (hereinafter referred to as the agreement) and in particular paragraph (7) of that agreement.

As a result of these discussions, and in the light of operational and security requirements, I have the honor to propose that the operations and construction contracts applicable to the United States military installations on Diego Garcia shall henceforth be awarded by United States military authorities to joint-ventures exclusively between United States and United Kingdom firms unless no qualified joint-venture firm submits a reasonable offer for such contracts, in which case they shall be opened to United States firms.

In addition, the following conditions shall apply to such contracts involving any United States-United Kingdom joint-venture:

- (a) management control shall be vested in the United States partner or partners,
- (b) the percentage of participation between United States and United Kingdom firms shall be a matter for negotiations between members of the joint-venture consortium, but in no event shall United States participation be less than sixty percent, or United Kingdom participation below twenty percent,
- (c) a definition of a United States firm which may be more restrictive than that set forth in paragraph 10(e) of the agreement shall be provided in each contract or solicitation.

If the foregoing proposal is acceptable to the Government of the United Kingdom of Great Britain and Northern Ireland, I have the honor to propose that the present note together with Your Excellency's reply to that effect, shall constitute an agreement between the two Governments which shall enter into force on the date of Your Excellency's reply.

Accept, Excellency, the renewed assurances of my highest consideration.

For the Secretary of State:

**HARRY ALLEN HOLMES**

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<sup>1</sup>Treaty Series No. 15 (1967), Cmnd. 3231.

No. 2

*Her Majesty's Ambassador at Washington to the Secretary of State of the  
United States of America*

*British Embassy  
Washington  
16 November 1987*

Your Excellency

I have the honour to acknowledge receipt of your Excellency's note which reads as follows:

[As in No. 1]

I have the honour to inform Your Excellency that the foregoing proposal is acceptable to the Government of the United Kingdom of Great Britain and Northern Ireland who therefore agree that Your Excellency's note and this reply, shall constitute an agreement between the two Governments which shall enter into force on the date of this reply.

I take this opportunity to renew to Your Excellency the assurance of my highest consideration.

ANTONY ACLAND