

EMBASSY OF THE
UNITED STATES OF AMERICA

Asuncion, April 12, 2007

No. 069

Excellency:

I have the honor of writing to Your Excellency to request that the Ministry of Foreign Affairs of the Republic of Paraguay refer to earlier 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 Education and Training program, from the United States of America to the Government of the Republic of Paraguay pursuant to the Foreign Assistance Act of 1961, or successor legislation. In this regard, I refer to the Agreement concerning payment to the United States of net proceeds from the sale of defense articles furnished on a grant basis, affected by exchange of notes at Asuncion on June 27, 1974 and July 1, 1974.

In accordance with these discussions, I propose that the Government of the Republic of Paraguay agree:

His Excellency

Ambassador Rubén Ramírez Lezcano,

Minister of Foreign Relations

of the Republic of Paraguay

A. That unless the consent of the Government of the United States of America has been first obtained, the Government of the Republic of Paraguay 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 Paraguay;

(II) Transfer, or permit any officer, employee or agent of the Government of the Republic of Paraguay 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 Paraguay in disposing of, with prior written consent of the Government of the United States of America, any defense article furnished by the United States of America on a grant basis, including 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 Paraguay 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 continuous 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 Paraguay; and;

E. That the Government of the United States of America may also, from time to time, make the provision of articles and services 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.)

Further, I propose that the Agreement herein proposed shall supersede the above referenced Agreement concerning payment to the United States of net proceeds from the sale of defense articles furnished on a grant basis, affected by exchange of notes at Asuncion on June 27, 1974 and July 1, 1974. This Agreement shall apply to defense articles to which the superseded Agreement had applied prior to entry into force of this Agreement.

Your note stating that the foregoing is acceptable to the Government of the Republic of Paraguay shall, together with this note, constitute an agreement between the two Governments, which shall enter into force on the date of your note.

Please accept Excellency, the renewed assurances of my highest and most distinguished consideration.

James C. Casar



N. R. No. 3/07

Mr. Ambassador:

The Ministry of Foreign Relations presents its compliments to the Embassy of the United States of America and acknowledges receipt of its note No. 069 of April 12, 2007, which reads as follows:

[See English Text]

In this regard, I have the honor to confirm, on behalf of the Government of the Republic of Paraguay, that the above proposal is acceptable, and agree that Your Excellency's note and this note in reply shall constitute an agreement between our two governments, which shall enter into force on the date of this note.

[Complimentary close]

April 12, 2007