

STAFF INVESTIGATION
RELATING TO THE NOMINATION OF
G. WILLIAM MILLER
TO BE CHAIRMAN OF THE BOARD OF GOVERNORS
OF THE FEDERAL RESERVE SYSTEM

PART 4
CONTAINING ADDITIONAL MATERIAL RECEIVED
FOR THE RECORD

PRINTED FOR THE USE
OF THE
COMMITTEE ON BANKING, HOUSING,
AND URBAN AFFAIRS
UNITED STATES SENATE



JULY 24, 1978

U.S. GOVERNMENT PRINTING OFFICE
WASHINGTON : 1978

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Securities and Exchange Commission*

(II)

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(iii)

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United States Senate
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WASHINGTON, D.C. 20510

July 11, 1978

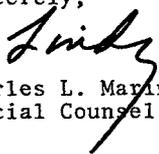
John D. Hawke, Esquire
Arnold & Porter
1229 Nineteenth Street, N. W.
Washington, D. C. 20036

Dear Jerry:

This will acknowledge receipt of the Textron-Bell documents submitted to the Committee recently by your Office by letters dated June 16, June 21 and June 30, 1978. These documents will be published in the Committee's Record of the proceedings.

While I do not wish to have access to the broader range of documents assembled pursuant to the SEC subpoena, I do feel that any document called for by the Committee subpoena dated January 31, 1978 which has not been submitted heretofore should be forwarded to the Committee for its Record.

Sincerely,


Charles L. Marinaccio
Special Counsel

CLM;lg

cc: Mr. Kenneth A. McLean
Mr. Bruce F. Freed

STAFF INVESTIGATION
RELATING TO THE NOMINATION OF
G. WILLIAM MILLER

FIFTH SUBMISSION OF DOCUMENTS
RELATING TO TEXTRON, INC.

JUNE 16, 1978

(1)

LETTER TO
CHARLES L. MARINACCIO, SPECIAL COUNSEL,
SENATE COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS,

FROM
JOHN D. HAWKE, JR. OF ARNOLD AND PORTER

(3)

ARNOLD & PORTER

1229 NINETEENTH STREET, N. W.
WASHINGTON, D. C. 20036

TELEPHONE: (202) 872-6700

CABLE: "ARFOPO"

TELEX: 89-2733

JOHN D. HAWKE, JR.

DIRECT LINE (202) 872-6856

June 16, 1978

Charles L. Marinaccio, Esquire
Special Counsel
Committee on Banking, Housing
and Urban Affairs
5300 Dirksen Office Building
Washington, D. C. 20510

Dear Lindy:

As I mentioned to you recently, in the course of the Securities and Exchange Commission's investigation of Textron, Inc., Textron has been gathering and making available to the Commission a tremendous volume of documents. The great bulk of the documents produced to date relate to Bell Helicopter Textron.

As you will recall, Ken McLean sent a letter to Textron on January 25, 1978, requesting a variety of documents relating to Bell's relationship with Air Taxi and General Khatami, and he asked that they be supplied within two or three days. The SEC's subpoenas to Textron are substantially broader in scope than the Committee request during the course of the Miller confirmation proceedings, and many weeks have been spent by Bell people, as well as by attorneys and paralegals from this firm, in searching Bell files for documents that are responsive to the SEC subpoenas. In this process, we have identified a number of documents relating to Bell's dealings in Iran that might be considered to be within the scope of the Committee's

ARNOLD & PORTER

Charles L. Marinaccio, Esquire
June 16, 1978
Page Two

subpoena and that may not have been discovered in the earlier file searches in response to that subpoena. Since you expressed a continuing interest in this subject, I am enclosing copies of those documents. I should point out that many of these may already be included among the documents that have previously been furnished to the Committee, and we have not undertaken to determine whether particular documents were turned over in earlier submissions. Should we identify additional documents that may be responsive to the Committee's original request during our continuing production of Bell files in response to the SEC subpoenas, we will make them available to you.

The Committee's inquiry into Bell's dealings in Iran focused narrowly on the role played by Air Taxi and General Khatami, and for this reason you did not have an opportunity to review a broader range of Bell documents relating to the Iran transaction. In order to put the Air Taxi-Khatami documents in perspective, you may be interested in taking a look at all the Bell files relating to Iran that have been assembled for the SEC. These are maintained in a document depository that has been established at our office, and I will be happy to make appropriate arrangements if you would like to have access to these files.

Best regards.

Sincerely,

John D. Hawke, Jr.

Enclosures

LETTER OF JUNE 21, 1978
FROM
JOHN M. FEDDERS OF ARNOLD AND PORTER
TO
MR. MARINACCIO
(7)

ARNOLD & PORTER

1229 NINETEENTH STREET, N. W.

WASHINGTON, D. C. 20036

TELEPHONE: (202) 872-8700

CABLE: "ARFOPO"

TELEX: 89-2733

June 21, 1978

BY HAND

Charles L. Marinaccio, Esq.
Special Counsel
Committee on Banking, Housing
and Urban Affairs
United States Senate
5300 Dirksen Office Building
Washington, D.C. 20510

Re: Textron Inc.

Dear Mr. Marinaccio:

Yesterday, you or a member of your staff telephoned J. D. Hawke, Jr. of our office and asked for a second copy of one of the documents that was sent to you under cover of Mr. Hawke's June 16 letter. Enclosed is a copy of the document you requested, namely, a March 17, 1971 11-page inter-office memorandum of C. P. B. Horsley to F. M. Sylvester, together with a two-page attachment.

Should you have any additional requests, you may telephone Mr. Hawke or me.

Very truly yours,


John M. Fedders

Enclosure

TEXTRON, INC. DOCUMENTS
SUBMITTED TO THE COMMITTEE
BY ARNOLD AND PORTER, TEXTRON'S COUNSEL
(9)

(i) BELL HELICOPTER COMPANY
Inter-Office Memorandum

(این نامه به جهت هم در مورد است)

April 24, 1972

F:JEG:cm:1111

Memo To: Mr. F. M. Sylvester

Copy To: Messrs. J. Atkins, V. Hunt, D. Mitchell, H. Weichsel
W. Yates

Subject: Trip Report - Iran - April 5th through April 19th 1972

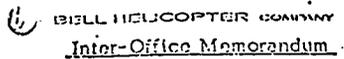
The initial purpose of this trip was one of low key and simply gathering facts pertinent to the existing Iranian requirement for the implementation of helicopters into the Imperial Iranian military forces structure.

Upon arrival in Teheran, a courtesy call was made to Armish MAAG (Colonel S. Duncan, responsible for MAP and FMS sales). Colonel Duncan requested that I see him immediately as the Iranian requirement had changed substantially since the visit of General Toufanian and party in Fort Worth during February of this year. I was informed at this time that the numbers of helicopters desired by GOI had increased substantially. As it stands to date, the required number is 204 attack helicopter gunships and 256 transport helicopters.

Colonel Duncan further advised that as a result of a joint meeting consisting of MAAG personnel, General Toufanian, Mr. Dehesh, General Khosrodad and General Minbashian a demonstration of the AH-1G, AH-1J and 214A would be required prior to any contract signature. The only opposition to this idea was from Mr. Dehesh who felt that the demonstration would only delay matters further and besides, they had all the information concerning performance that they needed.

Colonel Duncan then requested that performance data for the G, J and 214 at 53° sea level and 6,000 feet. This data was provided in sufficient detail for his purposes.

The temperature of 53°C has only been recorded a few times in the last three years in the southern part of Iran where altitudes are between sea level and 3,000 feet. Not once has that temperature been reached at altitudes of 6,000 feet. The purpose of this request was only to satisfy General Khosrodad's particular interest in how these above aircraft would perform at this extreme condition.



To: F. M. Sylvester
Page 2

April 24, 1972
F:JEG:omt:llll

A meeting was then held with our representative, Air Taxi; specifically, Mr. Zanganeh, Managing Director and Mr. Iranzad, Sales Manager. My purpose was to establish whether or not our representative was substantially in the picture and knew about this new development and if so, what information had they received. To my very pleasant surprise, I found that our representatives were fully informed and, in fact, Mr. Zanganeh was in continuous contact with Mr. Dehesh and had had a meeting with General Toufanian just prior to my arrival. Subsequently, Air Taxi informed us of this new development through their telex of 6 April addressed to Mr. Atkins, reference number 122/72.

Throughout my visit, Mr. Zanganeh held meetings with Mr. Dehesh nightly and with General Khatami to establish day to day developments and receive valuable input that would have bearing on this program.

Over the next few days, meetings were held with the MAAG and MIO personnel in an attempt to develop the situation to that point where a decision to demonstrate or not was made and a firm decision on type and numbers. A blow by blow description of these meetings, I think, have been sufficiently covered in my telexes.

On 15 April, a complete presentation to General Toufanian was made by General Khosrodad, General Minbashian and MAAG to prepare for General Toufanian's audience with his Majesty on the entire program from organization through to procurement of aircraft. The result of this meeting of General Toufanian and his Majesty was that the entire concept had been approved with the exception that his Majesty requested a cost study to be completed reflecting the 214A and 205. Mr. Dehesh stated at this time that his Majesty was desirous of Agusta participation and was leaning toward Agusta supplying the 205 to satisfy their requirement for transport and BHC, Fort Worth providing a gunship for that portion of their requirement. I was also informed that the idea of the demonstration was not addressed and that a decision would probably not occur until after the visit of Corrado on May 2, 1972.

April 17, 1972 - At this time, it seemed to me that all the basic information had been submitted; however, the problem remained that the people responsible in MIO would not take the initiative to firmly recommend to his Majesty a plan of action and therefore we would be in for another long delay--six months to a year. As General Toufanian was leaving the next day, I decided to visit the headquarters of MIO and try to force the issue of the demonstration and a firm letter of intent utilizing the tactic of 1) that the AH-1G was now more expensive, 2) that if they really wanted to get serious and have a demonstration, I would have to have a letter this afternoon and 3) if not

 BELL HELICOPTER COMPANY
Inter-Office Memorandum

To: F. M. Sylvester
 Page 3

April 24, 1972
 F:JEG:cmt:1111

received that there was no way possible I could commit the company to a demonstration during their required timeframe. After a two hour session with General Toufanian and Mr. Dohesh, they agreed that something must be decided immediately and General Toufanian immediately went to his Majesty for that purpose alone.

Upon arriving at the palace, General Toufanian met with General Khosrodad and General Minbashian who were there to discuss the same thing. Subsequent to the meeting with his Majesty, I was told that HIM had approved of the firm intent to purchase and demonstrate the AH-1J and 214 in country.

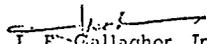
Am trying to establish an audience with his Majesty and Mr. Atkins in May. The reasoning is that it would be just after the visit of Corrado and would tie in with the proposed visit of President Nixon in Iran. At this audience, Mr. Atkins should be prepared to discuss basic elements in pricing of our proposed program which must include the entire training package of pilots, mechanics, factory management and logistical personnel. Additionally, he should be able to discuss what participation we are willing to negotiate with Agusta.

I have submitted a marketing plan, reference F:JEG:cmt:1110 dated April 24, 1972 and a proposed draft response to General Toufanian's letter of intent.

We must maintain close coordination with Washington as it is imperative that Nixon be brought up to speed of the events that have taken place to date. Also, close contact with the military offices responsible for providing any further performance data requested by the Armish MAAG should be kept.

At some opportunity, the possibility of establishing a BHC representative in country (marketing type) to overview and coordinate the entire BHC activity who has access to the offices of MAAG and MIO through established contacts should be discussed.

Of significant note, General Khosrodad has asked the assistance of the Iranian Air Force in the way of training, personnel and facilities to help get him started in his new organization. This obviously has great bearing on our concern as to where the Iranians were going to obtain people to accomplish such a program.


 J. E. Gallagher, Jr.
 International Marketing



27 June 1973

Memo to: File

Subject: Meeting - Tuesday, June 26, 1973
Maj. General Chester McKeen's Office

Attended by: Maj. General McKeen, Col. Tyrrell,
Frank McKenna, Warren Rockwell, J. F. Atkins

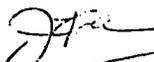
I had a meeting scheduled with Maj. General McKeen regarding the cost study that was required by the AAH contract.

General McKeen brought up the matter of the Iranian production contracts which he was in the process of reviewing prior to award. General McKeen stated that the contracts included a provision for payment of dealer commissions and that he had just been advised by the procurement authority in DOD (Dave Alne) that dealer commissions would not be paid on any FMS sales to the Government of Iran. General McKeen read to me a part of the formal message and it indicated that reasonable expenses would be acceptable but dealer commissions could not be honored.

General McKeen suggested that the commission clause and the dealer's commission (\$1,000 per ship) be removed from the contracts and that if I would agree to such removal he could approve the contracts for award.

I indicated to General McKeen that the commission amounts included in the contracts were in accordance with my discussions with General Toufanian and that Dave Alne was generally aware of these discussions. I also advised General McKeen that we would, of course, be required to pay our dealer in excess of the \$1,000 per ship.

I suggested to General McKeen that I would accept removal of the commission clause and dealer's commission from the contracts provided he would give me a clause in case I desired to claim a reasonable cost of the sale at some later date. Frank McKenna wrote the clause in General McKeen's office and I agreed Bell would accept it.


J. F. Atkins
President

JFA:jt



27 June 1973

Memo to: *File*
 Subject: *Air Taxi*

Frank Sylvester and I met with Mr. Zanganeh of Air Taxi on Thursday, June 21, 1973.

We previously had had several discussions regarding the commissions or compensation to which Air Taxi would be entitled on our Iranian Program. We were caught up in a situation wherein the policy of the Government of Iran was changing and both the dealer and Bell recognized this. In other words, General Toufanian had highlighted the situation and was taking the position that only reasonable expenses of a sales representative would be accepted in F&O contracts.

The parties had renegotiated the dealer agreement on at least one prior occasion and now were attempting to reach a final settlement on this matter.

We agreed as follows:

- 1. Air Taxi would be expected to continue to furnish services and support Bell through the life of the current helicopter program.*
- 2. The dealer agreement would be amended to ~~Exclude~~ any future sales to MDO or to the military services.*
- 3. The dealer's total compensation for the helicopter sales would be \$2,950,000.*
- 4. Payment would be made on the following schedule:*

<i>Upon signing the agreement</i>	<i>\$1,000,000</i>
<i>July 1, 1974</i>	<i>\$1,000,000</i>
<i>July 1, 1975</i>	<i>950,000</i>
- 5. It was agreed that the compensation paid under this agreement is a total settlement and is subject to change only if the existing program for 489 helicopters is reduced. If the number of helicopters is reduced, the compensation payable to the dealer would be reduced by \$3,000 for each helicopter taken from the program.*



Page 2

27 June 1973

6. We outlined this settlement on a blank sheet of paper and we included a provision that the parties might later discuss the advisability of entering into a consulting agreement. A copy of the outline of the agreement is attached.

I outlined the settlement to Dan McCrary and requested he write up a draft of a total settlement agreement and requested John Scott to review this agreement for final legal approval.

J. P. Atkins
President

JFA:jt

- I. *Total Compensation - \$2,950,000*
- II. *Payment Schedule -*
- | | |
|---------------------|--------------------|
| <i>Upon signing</i> | <i>\$1,000,000</i> |
| <i>July 1, 1974</i> | <i>1,000,000</i> |
| <i>July 1, 1975</i> | <i>950,000</i> |
- III. *Reduction in Compensation -*
- If present program of 489 helicopters is reduced, then compensation will be reduced by \$3,000 per helicopter cancelled.*
- IV. *Change in Representative Agreement -*
- Future sales to the military services or MIO will not be covered by revised representative agreement.*
- V. *Consulting Agreement*
- The parties will discuss the advisability of entering into a consulting agreement at some later date.*

AIR TAXI CO.

Mohrabad Airport

TEHRAN

40257
Tel. 661992
661967

Telex 2575

Cable **TEHRAN AIR TAXI**

Date July 13, 1972

No. S/12/1133

Yr. Ref.



شرکت هواپیمایی ارتاکس

فرودگاه مهرآباد - تهران

۴۰۲۵۷

تلفن ۶۶۸۹۹۲

۶۶۱۹۶۷

تلکسی ۲۵۷۵

تلگرافی: تهران ارتاکسی

INTERNATIONAL MARKETING DEPARTMENT	
JUL 19 1972	
Ref. No.	
Assigned	<i>Adnan</i>
Revised	<i>Adnan</i>
Info Contact for:	
Vice President	
Market Development	
Administration	
Area Manager	
Regional Manager	
Washington Office	
File	<i>12-1133</i>

تاریخ
شماره

Mr. F. Sylvester,
Vice President - International Marketing,
Bell Helicopter Company,
P.O. Box 482,
Fort Worth, TEXAS 76101,
U.S.A.

Dear Mr. Sylvester,

I must apologize for the delay in answering your letter of June 16, 1972, which was due to my absence from the country.

After careful consideration and consultation, some changes have been made, which I hope will meet with your approval.

I hope you appreciate that Bell Company's commitment to me is based on many years of diligent effort by myself and members of my staff, as documented by regular correspondence between us. This effort, I am sure you will agree, is partially responsible for your success with the Imperial Government of Iran be it direct or Government to Government.

In view of the above, I cannot agree to make my rights subject to the arbitrary decision of the U.S. Government.

As the initial Letter of Intent was signed on April 18, 1972, may I suggest that Amendment No. 1 dated April 1, 1972, be back-dated so that any misunderstanding or complications may be avoided.

Please find enclosed the revised Amendment No. 1 which I have signed accordingly. I look forward to receiving the counter signed amendment and also seeing you in Teheran soon.

Best personal regards,

Yours sincerely,
AIR TAXI COMPANY,

Adnan
A.M. Zandani,
Managing Director.

mgm

WILL HELICOPTER CO. FTW

REF 249/72

ATTN: F. M. SYLVESTER

- AA GEN. WILLIAMSON SUPPORTS GEN. HOWZE SCRIPT ONE HUNDRED PERCENT. HAS EVEN SUGGESTED SOME ADDITIONAL EVENTS THAT CAN EASILY BE DONE WITH MINOR MODIFICATIONS. THESE EVENTS CAN BE DISCUSSED AT A LATER DATE DURING GEN. HOWZE'S PRESENCE HERE.
- BB MAKING EVERY EFFORT TO OBTAIN CONFIRMATION OF C130 ARRIVAL IN WRITING. EXPECT TO RECEIVE TOMORROW OR NEXT DAY.
- CC EVALUATION OF AIRCRAFT TO BE CONDUCTED BY COMBAT RESEARCH EVALUATION COMMAND (CREC) UNDER THE COMMAND OF MG BROOMENDAN. MEETINGS CONCERNING THE PREPARATION OF EACH EVALUATION SITE AND NECESSARY DETAILS FOR DATA COLLECTION, ETC. ARE CONDUCTED TRI-WEEKLY. MEMBERS CONSIST OF REPRESENTATIVES OF CREC/MAAG/GEN. KHOSRODAD/AIR FORCE/RESEARCH TECHNICAL INSTITUTE/NAVY/GEN. TOUFANIAN GROUP AND MYSELF REPRESENTING BELL.
- DD ACTUAL EVALUATION TEAM WILL CONSIST OF APPROX FIVE DATA COLLECTORS, FROM THOSE GROUPS MENTIONED IN CC ABOVE. HAVE INCLUDED AT THE REQUEST OF CREC SMITTY AS BELL REP. MAKE SURE SMITTY BRINGS ALL RELATIVE DATA CONCERNING BOTH BIRDS.
- EE ARADMAC/MTT TEAM WAS EXTREMELY WELL RECEIVED. GEN. PATTON THINKS GEN. TOUFANIAN MAY DRAG HIS FEET REFERENCE FACTORY AND RELATIVE SUPPORT UNTIL TEAM COMPLETES REPORT END OF SEPTEMBER. GEN. WILLIAMSON HOPES THAT WE CAN GET TOGETHER WITH ARADMAC AS TO NOT DUPLICATE OR CONFUSE EFFORT. ACTION OBVIOUSLY STRIKER NEEDS TO MEET WITH MTT REPRESENTATIVES ASAP.
- FF DEHESH SAYS JFA SHOULD BE HERE FOR MAIN DEMO WHICH IS NOW ESTIMATED TO TAKE PLACE ON OR ABOUT AUGUST 26. THIS PROVIDES US MORE PROPOSAL/SUMMARY PREP TIME. CAN FALL BACK NOW TO ORIGINAL TIMING FOR IN-COUNTRY PROPOSALS BY MID AUGUST. DEHESH SAYS IF WE WANT TO INVITE CORRADO FINE. HOWEVER, HE DOES NOT WANT TO INVITE HIM.

WE CAN GET TOGETHER WITH ARADMAC AS TO NOT DUPLICATE OR CONFUSE

- IG REF TO DOD FUNDS - BESIDES STATEMENT BY DEHESH THAT SUFFICIENT COMMERCIAL FUNDS ARE AVAILABLE, SHAH RELUCTANT TO COMMIT FUNDS FROM ANYWHERE THAT CONCERN THIS PROGRAM FOR FEAR OF PREJUDICING THE ISSUE. FOR THIS REASON UACL DID NOT RECEIVE CONTRACT. DEHESH FULLY AWARE AND APPRECIATIVE OF THE FACT THAT WE MADE HIM AWARE OF ADDITIONAL FUNDS.
- HH RELATIONSHIP OF GEN. TOUFANIAN AND GEN. KHOSRODAD EXTREMELY STRAINED. GEN. KHOSRODAD BOWING OUT OF PICTURE AND STATING HE IS TO BE THE OPERATOR AND NOT RESPONSIBLE FOR THE PURCHASE OR EVALUATION OF EQUIPMENT THUS THE APPOINTMENT OF NEW EVALUATION TEAM.
- II AIR FORCE IS STILL IN THE PICTURE BUT AT THIS TIME ONLY AS AN OBSERVER AND TO SUPPLY SUPPORT FOR DEMO.
- JJ CREC CONFIRMS THAT THEY WILL NOT REQUIRE ANY FORMAL AIRCRAFT BRIEFINGS.
- KK AIR TAXI HAS SIGNED AND DISPATCHED AMENDMENT TO MFRA BUT WITH CHANGES.
- A) AMENDMENT IS TO BE DATED APRIL 1, 1972.
- B) ZANGANEH DOES NOT AGREE WITH PARAS REFERENCING FMS CASES AND HAS WRITTEN A SUGGESTED ADDITIONAL PARA ON THAT SUBJECT. I HAVE NOT HAD AN OPPORTUNITY TO DISCUSS THIS PARA IN DETAIL WITH ZANGANEH BUT WILL DO SO TOMORROW AND WILL REPORT OUTCOME. A BRIEF REVIEW OF ADDITIONAL PARA IN MY ESTIMATION IS TOTALLY UNACCEPTABLE AND HAVE ADVISED KHALIL OF THAT FACT.
- SIGNED AMENDMENT AND COVERING LETTER WAS MAILED JULY 13, 1972. ESTIMATE YOU TO RECEIVE APPROX JULY 20 OR 21.
- LL HORSLEY DEPARTS FOR LEBANON WEDNESDAY MORNING.
- MM CORRADO NOT IN TOWN AND IS NOT EXPECTED.
- NN DEHESH AND GEN. TOUFANIAN OFF TO FRANCE TUESDAY AND THURSDAY RESPECTIVELY. MISSION AS OF YET NOT KNOWN BUT WILL FIND OUT AND TELEX.
- BEST REGARDS.

GALLAGHER

INTERNATIONAL AIR FORCE OFFICE	
JUL 17 1968	
Del. No.	
Address	
Phone	
Info C. No.	
Rec. No.	
Index	
Serial	
Region	
Station	
File	

RECEIVED JUL 17 1968

GEN. WILLIAMSON GEN. HAYES

HAS SUPPORTS HANS SCRIPT ONE HUNDRED PERCENT. HAS EVEN SUGGESTED SOME ADDITIONAL EVENTS THAT CAN EASILY BE DONE WITH MINOR MODIFICATIONS. THESE EVENTS CAN BE DISCUSSED AT A LATER DATE DURING HANS PRESENCE HERE.

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IAA/Gen. Kharsadani/Gen. ...
NAVAIR/Gen. Toufanian/Gen. ...
HELEN/Gen. ... GROUP AND MYSELF REPRESENTING Bell.

DD ACTUAL EVALUATION TEAM WILL CONSIST OF APPROX FIVE DATA COLLECTORS, FROM THOSE GROUPS MENTIONED IN CC ^{above} HAVE INCLUDED AT THE REQUEST OF CREC SMITHY AS ^{Bell} ~~SMITHY~~ REP. MAKE SURE SMITHY BRINGS ALL RELATIVE DATA CONCERNING BOTH BIRDS.

EE ARADNAC/MTT TEAM WAS EXTREMELY WELL RECEIVED. ^{Gen. Patton} GOOLING THINKS ^{Gen. Toufanian} ~~SMITHY~~ MAY DRAG HER FEET REFERENCE ^{Factory} ~~SMITHY~~ AND RELATIVE SUPPORT UNTIL TEAM COMPLETES REPORT END OF SEPTEMBER. ^{Gen. Williamson} ~~SMITHY~~ HOPES THAT WE CAN GET TOGETHER WITH ARADNAC AS TO NOT DUPLICATE OR CONFUSE EFFORT. ACTION OBVIOUSLY STRIKER NEEDS TO MEET WITH MTT REPRESENTATIVES ASAP.

BELL HCPTER FTW **GENY 37002024**

Mr. Dehesh
FF ~~ALICE~~ SAYS JFA SHOULD BE HERE FOR MAIN DEMO WHICH IS NOW ESTIMATED TO TAKE PLACE ON OR ABOUT AUGUST 26. THIS PROVIDES US MORE PROPOSAL/SUMMARY PREP TIME. CAN FALL BACK NOW TO ORIGINAL TIMING FOR IN-COUNTRY PROPOSALS BY MID AUGUST.
Mr. Dehesh
~~ALICE~~ SAYS IF WE WANT TO INVITE ^{Gen. Patton} ~~SMITHY~~ FIRE. NOEEEE HOWEVER HE DOES NOT WANT TO INVITE HIM.

... THE FUND - BEING STATEMENT BY ALICE THAT SUFFICIENT
 COMMERCIAL FUNDS ARE AVAILABLE, ^{Shah} ~~Shah~~ RELUCTANT TO COMMIT
 FUNDS FROM ANYWHERE THAT CONCERN THIS PROGRAMME FOR FEAR OF
 PREJUDICING THE ISSUE. FOR THIS REASON UACL DID NOT RECEIVE
 CONTRACT. ^{Mr. Dehesh} ~~Shah~~ FULLY AWARE AND APPRECIATIVE OF THE FACT THAT
 WE MADE HIM AWARE OF ADDITIONAL FUNDS.

HH ^{Gen. Toumanian + Gen. Khosrodad} RELATIONSHIP OF ^{Gen. Khosroddi} SUSY AND MARY EXTREMELY STRAINED. MARY BOWING
 OUT OF PICTURE AND STATING SHE IS TO BE THE OPERATOR AND NOT
 RESPONSIBLE FOR THE PURCHASE OR EVALUATION OF EQUIPMENT THUS
 THE APPOINTMENT OF NEW EVALUATION TEAM.

II ^{Air Force} ~~Shah~~ IS STILL IN THE PICTURE BUT AT THIS TIME ONLY AS AN
 OBSERVER AND TO SUPPLY SUPPORT FOR DEMO.

JJ CREC CONFIRMS THAT THEY WILL NOT REQUIRE ANY FORMAL AIRCRAFT
 BRIEFINGS.

KK ^{Air Taxi} ~~Shah~~ HAS SIGNED AND DISPATCHED AMENDMENT TO MFRA BUT WITH
 CHANGES-

A) AMENDMENT IS TO BE DATED APRIL 1 1972.
 B) ^{Zawagah} MR Z DOES NOT AGREE WITH PARAS REFERENCING FMS CASES
 AND HAS WRITTEN A SUGGESTED ADDITIONAL PARA ON THAT SUBJECT.
 I HAVE NOT HAD AN OPPORTUNITY TO DISCUSS THIS PARA IN DETAIL
 WITH MR Z BUT WILL DO SO TOMORROW AND WILL REPORT OUTCOME.
^{Zawagah}
 A BRIEF REVIEW OF ADDITIONAL PARA IN MY ESTIMATION IS TOTALLY
 UNACCEPTABLE AND HAVE ADVISED KHALIL OF THAT FACT

SIGNED AMENDMENT AND COVERING LETTER WAS MAILED JULY 13 1972.
 ESTIMATE YOU TO RECEIVE APPROX JULY 20 OR 21.

LL HORSLEY DEPARTS FOR LEBANON WEDNESDAY MORNING.

MM ^{Conrado} ~~Shah~~ NOT IN TOWN AND IS NOT EXPECTED.

NN ^{Mr. Dehesh} ^{Gen. Toumanian} ALICE AND SUSY OFF TO FRANCE TUESDAY AND THURS RESPECTIVELY.
 MISSION AS OF YET NOT KNOWN BUT WILL FIND OUT AND TELEX.

BEST REGARDS GALLACHER

GENV

37002025



MANUFACTURER'S FOREIGN REPRESENTATIVE AGREEMENT
AMENDMENT NO. 1

This Amendment Number 1 to the Manufacturer's Foreign Representative Agreement made between Bell Helicopter Company, Division of Textron, Inc. (hereinafter called Bell), and Air Taxi Company of Mehrabad Airport, Tehran, Iran (hereinafter called the Representative), is made for the purposes of further defining the rights and obligations of the parties under the Manufacturer's Foreign Representative Agreement made between Bell and the Representative on the 15th day of June 1970. This Amendment recognizes the contributions made by the Representative in concluding the consummation of the major programs as set forth below.

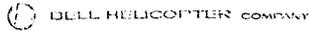
WITNESSETH:

It is agreed between Bell and the Representative that this Amendment Number 1 shall be considered the governing agreement specifying the obligations and rights of the parties concerning the sale by Bell of the Bell products and services listed below to the Imperial Iranian Government and concluded by delivery of such Bell products. The program anticipated consists of:

100	Model 206A/OH-58A
50	Model 205A/UH-1
200	Model 209/AH-1J
200	Model 214

Related spare parts, accessories, equipment, tooling, services, training, or data

GENV 37002027



Page No. 2

- A. Bell will pay to the Representative a commission of 2.5% of the value of any contract executed between Bell and the Imperial Iranian Government for the delivery of the Listed Products. *of any or all*
- B1. Subject to the approval of the U.S. Government, Bell will pay to the Representative a commission of 2.5% of the value of any contract Bell receives from the U.S. Government for the purchase and delivery of helicopters resulting from a contract between the U.S. Government and the Imperial Iranian Government.
- B2. *→ See Over.*
- C. In the event that the Imperial Iranian Government elects to procure products, other than helicopters, through the U.S. Government, Bell shall incur no obligation to pay any commissions to the Representative.
- D. Commissions shall become payable to the Representative upon delivery of the Listed Products and receipt by Bell of payment thereof. In the event Bell obtains advance payments from the Imperial Iranian Government for the Listed Products contracted for between Bell and the Imperial Iranian Government, Bell shall pay to the Representative as advance commissions, 2.5% of those advance payments received. Upon receipt of final

GENV 37002028



Page No. 3

payments from the Imperial Iranian Government, Bell shall liquidate the advance commissions paid to the Representative at the time of payment of the final commission.

E. This Amendment shall become effective on the date hereof and shall continue until terminated in accordance with Item 6, Term and Termination, of the basic Manufacturer's Foreign Representative Agreement, dated 15 June 1970.

F. All provisions of the basic Manufacturer's Representative Agreement, dated 15 June 1970, not specifically amended herein, remain unchanged.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed as of the day and year set forth below:

[Handwritten signature]

By A. H. Zarganeh

(Title) Managing Director

Witness Abdolrahman Ghaemmaghami

Date: _____

(Title) _____

Witness _____

Date: _____

GENV 37002029

B2. In the event that the U.S. Government refuses to approve the representative's commission, Bell agrees to pay a commission/consultant fee of 1% (one percent) to Air Taxi Co. or Mr. A. H. Zanganeh, Chairman and managing Director of Air Taxi Co. (major shareholder), in recognition of his long standing efforts and contributions.

GENV 37002030

7 21 A TAXI TN

21 1101 ROTTER CO FTW

11 11 72

11 11 72

FROM: F. SYLVESTER

RE: CREC MEETING TODAY FINALIZED:

- 1) GENERAL ORDERS FOR BROOMENDAN SIGNATURE AND GEN. MINBASHIAN'S APPROVAL ESTABLISHING THOSE REQUIREMENTS NECESSARY AND COMMANDER'S RESPONSIBLE FOR THE PROPER EXECUTION OF THE EVALUATION AND DEMO. THIS INCLUDES PREP OF SITES - RANGES - P AND L - SECURITY, ETC.
- 2) AN EVALUATION CHECK LIST TO RECORD PERFORMANCE DATA AT EACH EVALUATION SITE ALSO FOR APPROVAL OF BROOMENDAN TOMORROW.

RE: REFERENCE MFRA AMENDMENT FOR AIR TAXI. HAVE DISCUSSED WITH JOE AND HE OBVIOUSLY CONCERNED ABOUT BEING LEFT IN THE COLD IF IN CASE U.S. TO IRAN NEGOTIATIONS RESULT IN UNFAVORABLE POSITION REGARDING REMUNERATIONS. HAVE STATED HIS NEW PARA ABSOLUTELY UNACCEPTABLE. HOWEVER JOE WISHES TO FURTHER DISCUSS THE MATTER WHEN FMS/JFA PRESENT AND CONTRACT VALUE KNOWN.

RE: IT IS RUMORED THAT DEHESH AND TOUFANIAN WILL STOP TO SEE CORRADO ON RETURN TRIP - REASON FOR VISIT FRANCE IS RUMORED TO BE MISSILES. THEIR DURATION OF TRIP TEN DAYS.

RE: PLEASE SEND MAX ALLOWABLE SMALL LITHOS OF ALL MODELS. THIS IS TO BE USED FOR RECRUITING PROGRAM

RE: AIR TAXI IN NEED OF TEN EACH LATEST ALL BROCHURES AND ROTORWAYS.

RE: MEET WITH GEN. KHATAMI'S CHIEF OPS TOMORROW TO DISCUSS TRANSPORTATION CONFIRMATION SCHEDULE.

RE: DEHESH GIVEN ME AUTHORITY IN WRITING TO COORDINATE WITH DEPTS INVOLVED ALL ACTIVITIES FOR PREPARATION OF EVALUATION AND DEMO AND RELATED SUPPORT REQUIREMENTS.

11 11 72

GENV 37002020

GALLAGHER

HELICOPTER CO FTN
JULY 16/72
NY 096/72

INTERNATIONAL MARKETING DEPARTMENT	
JUL 16 1972	
Ref No.	
Assigned	
Follow	
Info	
Spec	
Mail	
Admin	
Rec	
Wash	
File	

ATTN MR F SYLVESTER

AA CREC MEETING TODAY FINALIZED - (1) GENERAL ORDERS FOR BROOMENDAN SIGNATURE AND ^{CALL ALIENAS 21-7-72} APPROVAL ESTABLISHING THOSE REQUIREMENTS NECESSARY AND COMMANDERS RESPONSIBLE FOR THE PROPER EXECUTION OF THE EVALUATION AND DEMO. THIS INCLUDES PREP OF SITES - RANGES - P AND L - SECURITY ETC. (2) AN EVALUATION CHECK LIST TO RECORD PERFORMANCE DATA AT EACH EVALUATION SITE ALSO FOR APPROVAL OF BROOMENDAN TOMORROW.

BB REFERENCE MFRA AMENDMENT FOR SNAPPER. ^{AIR TAXI} HAVE DISCUSSED WITH JOE AND HE OBVIOUSLY CONCERNED ABOUT BEING LEFT IN THE COLD IF IN CASE U.S. TO ^{TRAVEL} SCHOOL NEGOTIATIONS RESULT IN UNFAVOURABLE POSITION REGARDING REMUNERATIONS. HAVE STATED HIS WNEEE HIS PARA ABSOLUTELY UNACCEPTABLE. HOWEVER JOE WISHES TO FURTHER DISCUSS THE MATTER WHEN FMS/JFA PRESENT AND CONTRACT VALUE KNOWN.

CC IT IS AEEE IS RUMCURED THAT ^{TOBAMIN} ~~ALISE~~ AND SUSY WILL STOP TO SEE CIGI ON RETURN TRIP - REASON FOR VISIT FRANCE IS RUMOURD TO BE MISSLES. THEIR DURATION OF TRIP TEN DAYS.

DD PLEASE SEND MAX ALLOWABLE SMALL LITHOS OF ALL MODELS. THIS IS TO BE USED FOR GEL CREEE NEL RECRUITING PROGRAM.

EE SNAPPER IN NEED OF TEN EACH LATEST ALL BROCHURES AND ROTOR WAYS.

FF MEET WITH ^{SEM KHATAMIS} SABLE'S CHIEF OPS TOMORROW TO DISCUSS TRANSPORTATION CONFIRMATION SCHEDULE.

GG ^{MR. DEHECH} ~~ALISE~~ GIVEN ME AUTHORITY IN WRITING TO COORDINATE WITH DEPTS INVOLVED ALL ACTIVITIES FOR PREPARATION OF EVALUATION AND DEMO AND RELATED SUPPORT REQUIREMENTS.

BEST REGARDS GALLAGHER

GENV 37002021

2475 A TAXI TN

Air Taxi Compensation

JULY 20, 1972

TELEX 2886 FRENCH

INTERCOMMITTEE TELCEL

TERRACE, ILL.

ATTN: J. COLLIER, ROOM 1117

REFERENCE: YOUR LETTER OF JUNE 13 SUBJECT COMPENSATION
AGREEMENT

WE AGREE TO THE PROVISIONS OF PARAGRAPH 2, AS PROPOSED. WE AGREE
TO THE DELETION FROM PARAGRAPH 1, OF THE WORDS "THE DATE HEREOF"
AND TO THE SUBSTITUTION OF "APRIL 1, 1972" FOR THEM.

WE CANNOT AGREE TO THE INSERTION OF PARAGRAPH 3, BECAUSE WE
CANNOT BIND OURSELVES TO THE PAYMENT OF COMMISSIONS THAT WE
ARE UNABLE TO RECOVER AS AN ELEMENT OF COST TO BE ALLOWED IN THE
ESTABLISHMENT OF THE CONTRACT PRICE BETWEEN BELL AND THE U.S.
GOVERNMENT.

HOWEVER, FOR THE FOLLOWING REASONS, WE HAVE CAUSE TO BELIEVE THAT THE
U.S. GOVERNMENT WOULD APPROVE THE COMMISSION PAYMENT, AND SUCH
HAS BEEN OUR EXPERIENCE.

- 1) U.S. PROCUREMENT REGULATIONS RECOGNIZE AND ALLOW
CONTRACTORS TO RECOVER COSTS FOR COMMISSION PAYMENTS.
THEY DO REQUIRE DOCUMENTATION OF A BONAFIDE REPRESENTATIVE'S
PARTICIPATION IN THE SALE.

GENY

37002093

- 2 -

- 2) THE CONTRACT FOR THE SUPPLY OF DOCUMENTATION - HAS
 BEEN AMENDED TO REFLECT THE CHANGES AND, IN OUR
 OPINION, THESE AMENDMENTS COVER THE PROCUREMENT CRITERIA
 FOR THE SUPPLY OF DOCUMENTATION.

PLEASE GET THIS AGREEMENT IN YOUR EARLIEST CONVENIENCE. I HAVE
 AMENDED THE CONTRACT PURSUANT TO THE FOREGOING, AND USE
 YOUR BEST EFFORTS TO GET IT SIGNED. THIS REPRESENTS OUR BEST
 POSITION, AND WE BELIEVE IT IS IN THE BEST INTERESTS OF ALL CONCERNED
 TO COMPLETE THE NEGOTIATION AT THE EARLIEST PRACTICABLE DATE AND THAT
 TIME IS, INDEED, OF THE ESSENCE.

SYLVESTER
 BELLORAFT

GENV 37002094

INT 07 21 0015

00110015 FTW

00110015

000 AUTO-RETRY

000 AUTO-RETRY

000 AUTO-RETRY

000 AUTO-RETRY

21/07 07.19

2300INTPCON TN

758229 BELL HELICOPTER CO FTW TEXAS SGNO 152 7-20-72 945PM

9512300 INTERCONTINENTAL HOTEL TEHERAAN, IRAN

ATTENTION: J. GALLAGHER, ROOM 1117

REFERENCE: ZANGANEH LETTER OF JULY 13 SUBJECT COMPENSATION AGREEMENT

WE AGREE TO THE INSERTION IN PARAGRAPH A AS PROPOSED. WE AGREE TO THE DELETION FROM PARAGRAPH E. OF THE WORDS "THE DATE HEREOF" AND TO THE SUBSTITUTION OF "APRIL 1, 1972" FOR THEM.

WE CANNOT AGREE TO THE INSERTION OF PARAGRAPH B.2, BECAUSE WE CANNOT BIND OURSELVES TO THE PAYMENT OF COMMISSIONS THAT WE ARE UNABLE TO RECOVER AS AN ELEMENT OF COST TO BE ALLOWED IN THE ESTABLISHMENT OF THE CONTRACT PRICE BETWEEN BELL AND THE US GOVERNMENT.

GENV 37002012

HOWEVER, FOR THE FOLLOWING REASONS, WE HAVE CAUSE TO BELIEVE THAT THE US GOVERNMENT WOULD APPROVE THE COMMISSION PAYMENT, AND

THEY HAVE BEEN COM LATERIENCE.

(1) US PROCUREMENT REGULATIONS RECOGNIZE AND ALLOW CONTRACTORS TO RECOVER COSTS FOR COMMISSION PAYMENT. THEY DO REQUIRE DOCUMENTATION OF A BONAFIDE REPRESENTATIVE'S PARTICIPATION IN THE SALE

(2) AIR TAXI IS A KNOWN AND REPUTABLE ORGANIZATION - HAS

REPRESENTS

MEETS ALL US GOVERNMENT PROCUREMENT CRITERIA FOR A MANUFACTURER'S REPRESENTATIVE.

PLEASE MEET WITH ZANGANEH AT YOUR EARLIEST CONVENIENCE. HAVE AMENDMENT NO. 1 REWRITTEN PURSUANT TO THE FOREGOING, AND USE YOUR BEST EFFORTS TO GET IT SIGNED. THIS REPRESENTS OUR BEST POSITION, AND WE BELIEVE IT IS IN THE BEST INTERESTS OF ALL CONCERNED TO COMPLETE THE EXECUTION AT THE EARLIEST PRACTICABLE DATE AND THAT TIME IS, INDEED, OF THE ESSENCE.

F. SYLVESTER

BELLCRAFT

CB

CORRECTION:

(2) READS

(2) AIR TAXI IS A KNOWN AND REPUTABLE ORGANIZATION - HAS REPRESENTED BELL FOR A NUMBER OF YEARS AND, IN YXX OUR OPINION, ~~ME~~ MEETS ALL US GOVERNMENT PROCUREMENT CRITERIA FOR A MANUFACTURER'S REPRESENTATIVE.

OK

THE REST LOOKS OK ???

TKS

#

2300INTRCON TN.....

07/21/72 0023EST 007.0

ENV

37002013

2575 A TAXI TN

BELL HELICOPTER CO FTW

JULY 24/72

REF 268/72

ATTN: F. M. SYLVESTER

AA HAD MEETING WITH AMBASSADOR AT AIR TAXI'S PLACE ON HIS WAY TO VISIT SHAH. HE SUPPORTS US ONE HUNDRED PERCENT AND SOLICITS HIS ASSISTANCE DURING DEMO.

GAVE HIM GENERAL OVERVIEW OF PROGRAM WHICH IS ONE OF THE TOPICS TO BE DISCUSSED WITH SHAH.

SAYS SIK A DAY LATE AND A DOLLAR SHORT.

BB REF YOUR JSG 152 SUBJECT MFRA AGREEMENT. AIR TAXI UNDERSTANDS CONTENTS THOROUGHLY. HOWEVER, HAS ONE FEAR THAT IS HOLDING UP SIGNATURE. IF IN CASE OF FMS A STATEMENT IS INCLUDED PREVENTING COMMISSIONS PAYABLE, AIR TAXI WANTS SOME FALL BACK POSITION.

ALL HIS FRIENDS ARE OUT OF TOWN, PARTICULARLY DEHESH WHOM HE WANTS TO TALK WITH AND RECEIVE CONFIRMATION THAT IN THE CASE OF FMS NO STATEMENT AS ABOVE WILL BE INCORPORATED. FOLLOWING

THIS CONFIRMATION AIR TAXI WILL SIGN IMMEDIATELY. 37002104

GENV

IF CONFIRMATION NOT FORTHCOMING, AIR TAXI WANTS ASSURANCE FROM JFA THAT HE CAN NEGOTIATE SOME CONSULTANCY FEE.

PAGE 2

POSSIBLY INCORPORATING A PARA STATING AIR TAXI HAS RIGHT
TO NEGOTIATE FOR A CONSULTANCY FEE SHOULD THE CASE OF
AN FMS PURCHASE COMMISSION NOT ALLOWABLE.

I HAVE EXPLAINED OUR POSITION OVER AND OVER REGARDLESS OF
WHOSE CONFIRMATION HE GETS OUR BEST POSITION IS THAT REF YOUR
MSG 152. THEREFORE, TO WAIT FOR HIS FRIENDS RETURN (APPROX.
3 AUG.) HAS REALLY NO BEARING ON SIGNATURE OF THE DOCUMENT.

HAVE WRITTEN MEMO FOR RECORD AND SENT YOU COPY.

BEST REGARDS.

GALLAGHER

GENV 37002105

RECEIVED JUL 24 1972 FEDERAL RESERVE BANK OF ST. LOUIS FEDERAL RESERVE BANK OF ST. LOUIS FEDERAL RESERVE BANK OF ST. LOUIS
--

Inter-Office Memorandum

To: Mr. A.H. Zanganeh
 From: Mr. F. Sylvester
 " K. Iznard

July 23, 1972.

Subject : Amendment to Manufacturers Foreign Representative Agreement - Your letter dated July 13, 1972.

We agree to the insertion in Paragraph A as proposed. Specially we agree to the deletion from Paragraph E with respect to the words "The date hereof" and the substitution of April 1, 1972, for then.

However, we cannot agree to the insertion of Paragraph B.2, obviously as you can well understand Bell Helicopter Company cannot bind themselves to the payment of commissions that are unable to be recovered as an element of cost to be allowed in the establishment of the contract price between Bell and the U.S. Government.

I am sure as an astute business man as yourself, you would not bind Air Taxi under a similar set of circumstances. However, for the following reasons, we have cause to believe that the U.S. Government would approve the commission payment and such has been our experience.

- (1) U.S. procurement regulations recognize and allow contractors to recover costs for commission payment. They do require documentation of a bonafide representative's participation in the sale.
- (2) Air Taxi is a known and reputable organization and has represented Bell for a number of years and in our opinion meets all U.S. Government procurement criteria for a manufacturer's representative.

This represents our best position, and we believe it is to the best interests of all concerned that to complete the execution of the subject compensation agreement, rewritten pursuant to the foregoing at your earliest opportunity.

You are well aware that time is of the essence and regardless of Mr. Lehes's assurance that a statement of commission payable be included or not in a transaction between the U.S. Government directly with the Iranian Government this represents our best position. As always your immediate attention to this matter is deeply appreciated.

GENV 37002006
 John E. Gallacher Jr.,
 Regional Marketing Manager.

1972 A TRAM TR
CALL HELICOPTER CO FTIS-758029
JULY 24/72
117 106/72

INTERNATIONAL MARKETING DEPARTMENT
JUL 24 1972
Ref. No.
Assigned
Account
Info Center
View
Print
Change
Relinquish
Withdrawal
Fee

ATTN: MR SYLVESTER

AA HAD MEETING WITH AMBASSADOR AT ~~JOE'S~~ PLACE ON HIS WAY TO VISIT ~~JANE~~. HE SUPPORTS US ONE HUNDRED PERCENT AND SOLICITS HIS ASSISTANCE DURING DEMO.

GAVE HIM GENERAL OVERVIEW OF PROGRAM WHICH IS ONE OF THE TOPICS TO BE DISCUSSED WITH ~~JANE~~.
SHAH

S. TORONTO
SAYS ~~STH~~ A DAY LATE AND A DOLLAR SHORT.

BB REF YOUR MSG 152 SUBJECT MFRA AGREEMENT. *AIR TAXI* ~~JOE~~ UNDERSTANDS CONTENTS ~~THOROUGHLY~~ THOROUGHLY. HOWEVER, HAS ONE FEAR THAT IS HOLDING UP SIGNATURE. IF IN CASE OF FMS A STATEMENT IS INCLUDED PREVENTING COMMISSIONS PAYABLE, ~~JOE~~ WNTS SOME FALL BACK POSITION.

MR. DEPP
ALL HIS FRIENDS ARE OUT OF TOWN PARTICULARLY ~~ALICE~~ WHOME HE WANTS TO TALK WITH AND RECEIVE CONFIRMATION THAT IN THE CASE OF FMS NO STATEMENT AS ABOVE WILL BE INCORPORATED. FOLLOWING THIS CONFIRMATION ~~JOE~~ WILL SIGN IMMEDIATELY.

IF CONFIRMATION NOT FORTHCOMING ~~JOE~~ WANTS ASSURANCE FROM JFA THAT HE CAN NEGOTIATE SOME CONSULTANCY FEE. POSSIBLY INCORPORATING A PARA STATING ~~SHAPPER~~ HAS RIGHT TO NEGOTIATE WITH ~~BASS~~ *BELL* FOR A CONSULTANCY FEE SHOULD IN THE CASE OF AN FMS PURCHASE COMMISSION ARE NOT ALLOWABLE.
GENV 37002004

I HAVE EXPLAINED OUR POSITION OVER AND OVER REGARDLESS OF
WHOSE CONFIRMATION HE GETS OUR BEST POSITION IS THAT REF YOUR
MSG192 THEREFORE, ~~TO WANT FOR HIS FRIENDS RETURN~~ ~~EFFEEEMEE~~
TO WAIT FOR HIS FRIENDS RETURN (APPROX 3 AUG) HAS REALLY NO
BEARING ON SIGNATURE OF THE DOCUMENT.

HAVE WRITTEN MEMO FOR RECORD AND SENT YOU COPY.

BEST REGARDS JACK

2575 A TAXI TN

G E N V 37002005

August 1, 1972
 217-113;pb-165

XXXXXXXXXX

XXXXXXXXXX

In the event of a government-to-government sale against which we would negotiate a commission to Mr. Tullius on a flat fee of cost, we would have to submit a copy of this agreement showing the relationship of Mr. Tullius as our representative.

If that document showed - in the manner you have suggested - that Bell has guaranteed payment of a commission at a rate lower than the 2 1/2%, then you may be certain that they would decide on a percentage not to exceed that lower rate.

This, for obvious reasons, could not be stated in our recent exchange of letters and telecommunications on this subject.

Frank M. Sylvester

GENV 37002090

8-3-72

TELEX 2300 INTERCONTIN
 INTERCONTINENTAL HOTEL
 TEHRAN, IRAN

IRN 2-2

ATTN: F. M. SYLVESTER

REFERENCE YOUR MESSAGE OF 8TH RE AGREEMENT.

- AA) REGRET UNABLE TO AUTHENTICATE LOCAL SIGNATURE. BASIS OF DECISION BASED PURELY ON CONDITION OF PLACE OF SIGNATURE AND POTENTIAL EXPOSURE AS TO "DOING BUSINESS IN IRAN." ACCORDINGLY WILL MAIL TODAY TO JOE FOR YOUR ATTENTION FULLY SIGNED AGREEMENT CONFORMING TO TERMS AND CONDITIONS CITED BELL MESSAGE NO. 76 OF 7TH. JFA HAS SUGGESTED THAT UPON RECEIPT YOU RETAIN ABSOLUTE CUSTODY PENDING REPRESENTATIVE'S SIGNATURE. FURTHER HE SUGGESTS THAT REPRESENTATIVE ACCEPT THE FACT THAT AN AGREEMENT NOW EXISTS AND THAT THE SIGNED COPY BEING FORWARDED FOR HIS SIGNATURE IS MERELY AN ACT OF FORMALIZING THAT AGREEMENT. ACCORDINGLY HE SHOULD BE FREE TO COMMIT RESOURCES AS REQUIRED AROUND THE NOW IN BEING AGREEMENT.
- BB) ETHEL NOT CONTEMPLATED BY SIDE AGREEMENT. NOTWITHSTANDING SIDE AGREEMENT COVERS COMPLETE MEDIUM FISH LINE HAVE PURPOSELY EXCLUDED MARLIN FROM AGREEMENT. TRUST SUBJECT WILL NOT BE RAISED BY JOE.

GENV 37002206

MITCHELL

10/06 04.27 #
2575 A TAXI TN
758229 BELL HELICOPTER CO FTW TEXAS MSGNO 111 8-9-72 922PM
9512575 A TAXI TN AIR TAXI CO MEHRABAD AIRPORT TEHRAN IRAN

ATTN: F. M. SYLVESTER

REFERENCE MESSAGE 292/72 ITEM FF. PLAN RE AMENDMENT NO. 1
ACCEPTABLE, ACCORDINGLY DISREGARD PRE-SIGNED AMENDMENTS
MAILED AUGUST 9.

REFERENCE MESSAGE 294/72 ITEM AA. STUDY IN PROCESS. ANTICIPATE
INITIAL RESULTS AVAILABLE AUGUST 10. IF POSSIBLE WILL TELEX
COMPLETE OTHERWISE WILL ADVISE SIGNIFICANT PORTION.

NEW SUBJECT FOR ZANGANEH. REFERENCE ^{IKI} FIN REQUEST FOR QUOTE
MISCELLANEOUS SPARE PARTS FOR INITIAL INVENTORY. PROPOSAL
MAILED, HOWEVER BECAUSE OF BULK DELIVERY MAY BE LATER THAN
ESTABLISHED DEADLINE 10 AUGUST. ACCORDINGLY RECOMMEND YOU
ADVISE SUSY AND SUGGEST THAT THE PROPOSED PRICES AND DELIVERY
SCHEDULE MAY BE SUCH THAT IT IS TO ~~HER~~ BEST INTERESTS TO DEFER
AWARDING OF CONTRACT PENDING RECEIPT ~~BASS~~ PROPOSAL.

MITCHELL
BELL CRAFT *deinterfoman*
END CD

Their *BHC*

2575 A TAXI TN,,,,,T

GENV 37002095

JA
10.8.72

...AND 11:00 6-0772 0857

TELEX IRTN 01 09/0 05.25

FORT WORTH 758229 TEXAS USA PSE

MOM PLS
OUT VIA FFM 0526 GMTDFDF#M

BELL HCPTR FTW

*Acq 9
0857
Sent from Airtel*

2575 A TAXI TN

BELL HELICOPTER CO FTW 758229

AUG 9/72
REF 292/72

AIIN DEE MITCHEL, INTL MKTING - ADVISE CONCERNED

AA UNDERSIGNED PROCEEDING SANANDAJ THIS DATE. EXPECT RETURN TEHRAN FROM AHWAZ OR BUSHIRE DEPENDING ON TEST PERFORMANCE THEN REJOIN TEAM AT ISFAHAN.

BB TRAVEL PLANS JFA CRR HHH LOOK AKAY.

CC DYNELECTRON REP FRINCKS (?) HERE WITH PROPOSAL TO FURNISH COMPANY LEVEL MAINTENANCE TEAMS FOR DEPLOYMENT TO FIELD UNITS.

DD INTENSIFIED EFFORTS TO GET IHI ON PRODUCTION BASIS CAUSE FOR MUCH CONCERN AND CONSENSUS IS THAT IT CANNOT SUCCEED THEREFORE OPINION IS THAT FUNCTION SHOULD BE LIMITED TO MAJOR OVERHAUL ONLY.

EE LONG DISCUSSION MONDAY BETWEEN BABS AND SCHOOL INDICATE DECISION ALREADY TAKEN OUR FAVOR AND TEST PROGRAM PURPOSE TO PROVIDE JUSTIFICATION.

FF MFRA AMENDMENT NO 1 EXECUTED BY JOE AIRMAILED TODAY. EXECUTION AT YOUR END AND RETURN AIRMAIL IS URGENT REPEAT URGENT. PLEASE CONFIRM RECEIPT AND ACCEPTANCE THIS PLAN BY RETURN TELEX

SYLVESTER

2575 A TAXI TN

0857
?3)) 01:054 052
BELL HCPTR

GENV 37002096

09/08 07.28 ⑤

2300INTRCON TN

758229 BELL HELICOPTER CO FTW TEXAS MSGNO 98 8-8-72 1110PM
 9512300 INTERCONTINENTAL HOTEL TEHRAN, IRAN

ATTN: F. M. SYLVESTER

REFERENCE YOUR MESSAGE OF 8TH RE AGREEMENT.

AA) REGRET UNABLE TO AUTHORIZE LOCAL SIGNATURE. BASIS OF
 DECISION BASED PURELY ON CONDITION OF PLACE OF SIGNATURE AND
 POTENTIAL EXPOSURE AS TO +DOING BUSINESS IN IRAN.+ ACCORDINGLY
 WILL MAIL TOAY TO JOE FOR YOUR ATTENTION FULLY SIGNED AGREEMENT
 CONFORMING TO TERMS AND CONDITIONS CITED BELL MESSAGE NO.
 76 OF 7TH. JFA HAS SUGGESTED THAT UPON RECEIPT YOU RETAIN
 ABSOLUTE CUSTODY PENDING REPRESENTATIVE'S SIGNATURE. FURTHER
 HE SUGGESTS THAT REPRESENTATIVE ACCEPT THE FACT THAT AN
 AGREEMENT NOW EXISTS AND THAT THE SIGNED COPY BEING FORWARDED
 FOR HIS SIGNATURE IS MERELY AN ACT OF FORMALIZING THAT AGREE-
 MT. ACCORDINGLY HE SHOULD BE FREE TO COMMIT RESOURCES AS
 AROUND THE NOW IN BEING AGREEMENT.

PM) ETHEL NOT CONTEMPLATED BY SIDE AGREEMENT. NOTWITHSTANDING
 SIDE AGREEMENT COVERS COMPLETE MEDIUM FISH LINE HAVE PURPOSELY
 EXCLUDED MARLIN FROM AGREEMENT. TRUST SUBJECT WILL
 NOT BE RAISED BY JOE.

MITCHELL
 BELLCRAFT
 END CD

⑤

2300INTRCON TN.....V

GENV 37002097

⊕
BELL HCPTR FTW

2300INTRCON TN

TELEX 750229 FT WORTH TEXAS

ATT. D. MITCHELL FOR JFA:GRR,

1-510-22

8 5/72

AA. NEED AUTHORITY EXECUTE COMPENSATION AGREEMENT HERE SO JOE
.CAN COMMIT RESOURCES IMMEDIATELY. THIS WOULD THEN
BE EXCHANGED FOR ORIGINAL EXECUTED IN FT. WORTH WHICH WILL BE
MAILED IMMEDIATELY ALSO EXECUTED HERE BY JOE. CALL ME
IF PROBLEMS OTHERWISE TELEX CONFIRMATIONS BEARING IN MIND I
DEPART TEHLRAN FOR SANANAJ WEDNESDAY 0700 HRS.

EB. UNDERSTAND FROM TELECON THAT WORKSPLIT WITH GRACE
COVERS COMPLETE MEDIUM FISH LINE. CONFIRM THIS ALSO
INCLUDES ETHEL IN NUMBERS OUTLINED YOUR TELEX THIS DATE ON
SUBJECT OF COMPENSATION.

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Manufacturer's Foreign Representative Agreement

- Amendment No. 1 -

This Amendment Number 1 to the Manufacturer's Foreign Representative Agreement made between Bell Helicopter Company, Division of Textron, Inc. (hereinafter called Bell), and Air Taxi Company of Mehrabad Airport Tehran, Iran (hereinafter called the Representative), is made for the purposes of further defining the rights and obligations of the parties under the Manufacturer's Foreign Representative Agreement made between Bell and the Representative on the 15th day of June 1970. This Amendment recognizes the contributions made by the Representative in concluding the consummation of the major programs as set forth below.

WITNESSETH:

It is agreed between Bell and the Representative that this Amendment Number 1 shall be considered the governing agreement specifying the obligations and rights of the parties concerning the sale by Bell of the Bell products and services listed below to the Imperial Iranian Government and concluded by delivery of such Bell products. The program anticipated consists of:

100	Model 206A/OH-58A
50	Model 205A/UH-1
200	Model 209/AH-1J
200	Model 214
	Related spare parts, accessories, equipment, tooling, services or data

having,
GENV

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to the provisions of Paragraphs B. and C. hereof, Bell will pay to the Representative a commission of 2.5% of the value of any contract entered into between Bell and the Imperial Iranian Government for the delivery of the Listed Products.

In the event that the Imperial Iranian Government elects to procure any Bell products (defined as aircraft only) through the U.S. Government, the payment of a commission of 2.5% by Bell to the Representative shall be subject to the approval of the U.S. Government.

- C. In the event that the Imperial Iranian Government elects to procure the Listed Products (excluding ^{other than} helicopters) through the U.S. Government, Bell shall incur no obligation to pay any commissions to the Representative. ~~It is understood that however, Bell~~ *will pay commissions on helicopters in accordance with paragraph D on form of advance, which ever is applicable*
- D. Commissions shall become payable to the Representative upon delivery of the Listed Products and receipt by Bell of payment thereof. In the event Bell obtains advance payments from the Imperial Iranian Government for the Listed Products contracted for

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between Bell and the Imperial Iranian Government, Bell shall pay to the Representative as advance commissions, 2.5% of those advance payments received. Upon receipt of final payments from the Imperial Iranian Government, Bell shall liquidate the advance commissions paid to the Representative at the time of payment of the final commission.

- E. This Amendment shall become effective on the date hereof and shall continue until terminated in accordance with Item 6, Term and Termination, of the Basic Manufacturer's Foreign Representative Agreement, dated 15 June 1970.

- F. All provisions of the basic Manufacturer's Representative Agreement, dated 15 June 1970, not specifically amended herein, remain unchanged.

GENV 37002018

IN WITNESS WHEREOF, the parties hereto have caused this
Agreement to be duly executed as of the day and year
set forth below:

By _____

By _____

(Title) _____

(Title) _____

Witness _____

Witness _____

Date: _____

Date: _____

GENV

37002019

MANUFACTURER'S FOREIGN REPRESENTATIVE AGREEMENT
AMENDMENT NO. 1

This Amendment Number 1 to the Manufacturer's Foreign Representative Agreement made between Bell Helicopter Company, Division of Textron, Inc. (hereinafter called Bell), and Air Taxi Company of Mehrabad Airport, Tehran, Iran (hereinafter called the Representative), is made for the purposes of further defining the rights and obligations of the parties under the Manufacturer's Foreign Representative Agreement made between Bell and the Representative on the 15th day of June 1970. This Amendment recognizes the contributions made by the Representative in concluding the consummation of the major programs as set forth below.

WITNESSETH:

It is agreed between Bell and the Representative that this Amendment Number 1 shall be considered the governing agreement specifying the obligations and rights of the parties concerning the sale by Bell of the Bell products and services listed below to the Imperial Iranian Government and concluded by delivery of such Bell products. The program anticipated consists of:

- 100 Model 206A/OH-58A
- 50 Model 205A/UH-1
- 200 Model 209/AH-1J
- 200 Model 214

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Related spare parts, accessories, equipment, tooling, services, training, or data

A. Bell shall pay to the Representative a commission of 2.5% of the value of any contract executed between Bell and the Imperial Iranian Government for the delivery of the Listed Products.

of any or all

B1. Subject to the approval of the U.S. Government, Bell will pay to the Representative a commission of 2.5% of the value of any contract Bell receives from the U.S. Government for the purchase and delivery of helicopters resulting from a contract between the U.S. Government and the Imperial Iranian Government.

B2. → See over.

C. In the event that the Imperial Iranian Government elects to procure products, other than helicopters, through the U.S. Government, Bell shall incur no obligation to pay any commissions to the Representative.

GENV 37002036

D. Commissions shall become payable to the Representative upon delivery of the Listed Products and receipt by Bell of payment thereof. In the event Bell obtains advance payments from the Imperial Iranian Government for the Listed Products contracted for between Bell and the Imperial Iranian Government, Bell shall pay to the Representative as advance commissions, 2.5% of those advance payments received. Upon receipt of final

- B2. In the event that the U.S. Government refuses to approve the representative's commission, Bell agrees to pay a commission/consultant fee of 1% (one percent) to Air Taxi Co. or Mr. A.H. Zanzanich, Chairman and Managing Director of Air Taxi Co. (major shareholder), in recognition of his long standing efforts and contributions.

H - 

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... COMPANY

payments from the Imperial Iranian Government, Bell shall liquidate the advance commissions paid to the Representative at the time of payment of the final commission.

E. This Amendment shall become effective on the date hereof and shall continue until terminated in accordance with Item 6, Term and Termination, of the basic Manufacturer's Foreign Representative Agreement, dated 15 June 1970.

F. All provisions of the basic Manufacturer's Representative Agreement, dated 15 June 1970, not specifically amended herein, remain unchanged.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed as of the day and year set forth below:

[Signature] _____

By A. H. Zanganeh _____

(Title) Managing Director (Title) _____

Witness [Signature] Witness _____

Date: _____ Date: _____

GENV 37002038



MANUFACTURER'S FOREIGN REPRESENTATIVE AGREEMENT
AMENDMENT NO. 1

This Amendment Number 1 to the Manufacturer's Foreign Representative Agreement made between Bell Helicopter Company, Division of Textron, Inc. (hereinafter called Bell), and Air Taxi Company of Mehrabad Airport, Tehran, Iran (hereinafter called the Representative), is made for the purposes of further defining the rights and obligations of the parties under the Manufacturer's Foreign Representative Agreement made between Bell and the Representative on the 15th day of June 1970. This Amendment recognizes the contributions made by the Representative in concluding the consummation of the major programs as set forth below.

WITNESSETH:

It is agreed between Bell and the Representative that this Amendment Number 1 shall be considered the governing agreement specifying the obligations and rights of the parties concerning the sale by Bell of the Bell products and services listed below to the Imperial Iranian Government and concluded by delivery of such Bell products. The program anticipated consists of:

151	Model 206A/OH-58A
83	Model 205A/UH-1
244	Model 209/AH-1J
211	Model 214

GENV

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Related spare parts, accessories, equipment,
tooling, services, training or data



MANUFACTURER'S FOREIGN REPRESENTATIVE AGREEMENT

AMENDMENT NO. 2

This Amendment Number 2 to the Manufacturer's Foreign Representative Agreement made between Bell Helicopter Company, Division of Textron Inc. (Hereinafter called Bell), and Air Taxi Company of Mehrabad Airport, Teheran, Iran (hereinafter called the Representative), is made for the purposes of further defining the rights and obligations of the parties under the Manufacturer's Foreign Representative Agreement made between Bell and the Representative on the 15th day of June 1970.

WHEREAS, Bell and the Representative have heretofore entered into Amendment No. 1, effective on 1 April 1972 to the above referenced Manufacturer's Foreign Representative Agreement between the parties, and

WHEREAS, the scope of the products and services contemplated for delivery of Bell products to the Imperial Iranian Government at the time of the execution of Amendment No. 1 is expected to be modified, and is now anticipated to consist of:

234	Model 209/AH-1J
287	Model 214

Related spare parts, accessories, equipment, tooling, services, training or data

GENV 37002069



WHEREAS, the nature of the support, services and assistance required of the Representative is therefore of a lesser magnitude.

NOW, THEREFORE, the parties do mutually agree as follows:

I. Paragraph B of Amendment No. 1 to the Representative Agreement is amended to read as follows:

"B. Bell will pay to the Representative a commission of 2.5% of the value of any contract Bell receives from the U.S. Government for the purchase and delivery of helicopters resulting from a contract between the U.S. Government and the Imperial Iranian Government, provided, however, the total commissions payable to the Representative pursuant to this Amendment shall not exceed

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed, effective as of the 10th day of October, 1972.

BELL HELICOPTER COMPANY
Division of Textron Inc.

AIR TAXI COMPANY OF MEHRABAD
AIRPORT, TEHERAN, IRAN

By _____

By _____

Title _____

Title _____

Witness _____

Witness _____

Date _____

Date _____

GEN 37002070



Page No. 2

- A. Bell will pay to the Representative a commission of 2.5% of the value of any contract executed between Bell and the Imperial Iranian Government for the delivery of any or all of the Listed Products.
- B. Bell will pay to the Representative a commission of 2.5% of the value of any contract Bell receives from the U.S. Government for the purchase and delivery of helicopters resulting from a contract between the U.S. Government and the Imperial Iranian Government.
- C. In the event that the Imperial Iranian Government elects to procure products, other than helicopters, through the U.S. Government, Bell shall incur no obligation to pay any commissions to the Representative.
- D. Commissions shall become payable to the Representative upon delivery of the Listed Products and receipt by Bell of payment thereof. In the event Bell obtains advance payments from the Imperial Iranian Government for the Listed Products contracted for between Bell and the Imperial Iranian Government, Bell shall pay to the Representative as advance commissions, 2.5% of those advance payments received. Upon receipt of final

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37002072



Page No. 3

payments from the Imperial Iranian Government, Bell shall liquidate the advance commissions paid to the Representative at the time of payment of the final commission.

E. This Amendment shall become effective on 1 April 1972 and shall continue until terminated in accordance with Item 6, Term and Termination, of the basic Manufacturer's Foreign Representative Agreement, dated 15 June 1970.

F. All provisions of the basic Manufacturer's Representative Agreement, dated 15 June 1970, not specifically amended herein, remain unchanged.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed as of the day and year set forth below:

BELL HELICOPTER COMPANY
Division of Textron Inc.

By *C. R. Rudning*
C. R. Rudning
(Title) Vice Pres - Program Management

A. H. Zanganeh
A.H. Zanganeh
(Title) Chairman & Managing Director

Witness *Dee E. Mitchell*
Dee E. Mitchell

Witness *Khalil Iranzad*
Khalil Iranzad

Date _____

Date _____

GEN V 37002073



MANUFACTURER'S FOREIGN REPRESENTATIVE AGREEMENT
AMENDMENT NO. 1

This Amendment Number 1 to the Manufacturer's Foreign Representative Agreement made between Bell Helicopter Company, Division of Textron, Inc. (hereinafter called Bell), and Air Taxi Company of Mehrabad Airport, Tehran, Iran (hereinafter called the Representative), is made for the purposes of further defining the rights and obligations of the parties under the Manufacturer's Foreign Representative Agreement made between Bell and the Representative on the 15th day of June 1970. This Amendment recognizes the contributions made by the Representative in concluding the consummation of the major programs as set forth below.

WITNESSETH:

It is agreed between Bell and the Representative that this Amendment Number 1 shall be considered the governing agreement specifying the obligations and rights of the parties concerning the sale by Bell of the Bell products and services listed below to the Imperial Iranian Government and concluded by delivery of such Bell products. The program anticipated consists of:

151	Model 206A/OH-58A	
83	Model 205A/UH-1	
244	Model 209/AH-1J	37002031
211	Model 214	GENV

Related spare parts, accessories, equipment, tooling, services, training or data



Page No. 2

- A. Bell will pay to the Representative a commission of 2.5% of the value of any contract executed between Bell and the Imperial Iranian Government for the delivery of any or all of the Listed Products.
- B. Bell will pay to the Representative a commission of 2.5% of the value of any contract Bell receives from the U.S. Government for the purchase and delivery of helicopters resulting from a contract between the U.S. Government and the Imperial Iranian Government.
- C. In the event that the Imperial Iranian Government elects to procure products, other than helicopters, through the U.S. Government, Bell shall incur no obligation to pay any commissions to the Representative.
- D. Commissions shall become payable to the Representative upon delivery of the Listed Products and receipt by Bell of payment thereof. In the event Bell obtains advance payments from the Imperial Iranian Government for the Listed Products contracted for between Bell and the Imperial Iranian Government, Bell shall pay to the Representative as advance commissions, 2.5% of those advance payments received. Upon receipt of final

GENV 37002032



BELL HELICOPTER COMPANY

Page No. 3

payments from the Imperial Iranian Government, Bell shall liquidate the advance commissions paid to the Representative at the time of payment of the final commission.

- E. This Amendment shall become effective on 1 April 1972 and shall continue until terminated in accordance with Item 6, Term and Termination, of the basic Manufacturer's Foreign Representative Agreement, dated 15 June 1970.
- F. All provisions of the basic Manufacturer's Representative Agreement, dated 15 June 1970, not specifically amended herein, remain unchanged.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed as of the day and year set forth below:

_____	_____
By _____	By _____
(Title) _____	(Title) _____
Witness _____	Witness _____
Date _____	Date _____

GENV

37002033

*Iran*INTER-OFFICE MEMORANDUM

6 July 1971
 F:HH:mh:4473

MEMO TO: Messrs. E. J. Ducayet, ✓ J. F. Atkins, H. Weichsel Jr.,
 F. M. Sylvester

SUBJECT: REPORT - IRAN VISIT
30 JUNE - 4 JULY 1971

I talked to the following during my stay:

1. V. H. Hunt (London)
2. Mr. A. H. Zanganeh (Managing Director, Air Taxi)
3. Ambassador MacArthur
4. Major Gén. H. A. Twitchell (Chief MAAG) ✓
5. Brig. Gen. O. B. Patton (Chief Army Section, MAAG)
6. Maj. Gen. Jablonsky, Ret. (General Manager, ✓
 GNPS Consortium)
7. Gen. H. Khatami (CinC, Air Force)
8. Gen. F. Minbashian (CinC, Ground Forces)
9. Mr. H. Dahesh (Assistant Chief, Purchase and-
 Procurement) (under Gen. Tonfanian)

In all calls except those to Twitchell and Jablonsky I was accompanied by Messrs. Horsley and Gallagher.

We did not see Lt. Gen. Tonfanian, Chief of Purchase and Procurement, who was absent from Iran during my visit. I am certain, however, that Dahesh will carry my words to Tonfanian.

I made every effort to see the Shah. The Ambassador declined to assist in my getting an appointment, on the grounds that the Embassy arranged only for government officials to do so. I only half believe this.

The Ambassador was cordial enough and knowledgeable of the helicopter situation. He will, I believe, respond favorably to Bell requests for help, but he is not likely on his own initiative to push Bell products or services. He did not invite me to his 3 July reception in honor of U. S. Independence Day. I don't know whether this was slight, oversight, or a reluctance to give any indication of support to a U. S. firm. In any case, it didn't help any that I was not there.

Gen. Twitchell, whom I saw twice, seemed initially suspicious but did soon become cordial. I have never considered him much of a field soldier and therefore not one to perceive the enormous applications of the helicopter

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REPORT - IRAN VISIT
Page Two

6 July 1971
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to the Iranian military situation. On the other hand he has a very understandable concern over the ability of the Iranian Army to absorb what they have already bought, particularly in view of the badly tangled situations in deliveries, training, tech publications, parts supply and the other elements of logistic support. He pleads the Army to test what it has already bought, especially the 205 with and without button-on weapons.

I believe I allayed Twitchell's suspicions that Bell wanted to cram more equipment down the Army's throat. He apparently still has the Swindoll-Cook report under revision. It will undoubtedly say 'go slow', and will probably recommend FMS purchase of future requirements - later. On the other hand we got a 'look' (from Patton) at the chart the report will presumably include as recommended organization. As best we could reconstruct it from memory, it is attached. Unit size, we were told, is deliberately omitted because the Iranians are sensitive as to size because it affects rank, and the American report wanted to avoid argument on that score. However, it may be safely assumed that the long horizontal line of blocks represent company-size units, and if these organizations are to be fleshed out with men and equipment a sizeable buy of command, recon, troop carrier, armed and cargo helicopters must eventuate. This chart alone is enough to convince me that the Iranian military market, in the long term, is very much worth a considerable investment of Bell effort.

In both Twitchell and Patton I believe I implanted pretty firmly the idea that converting the 205 to a gunship was a poor move. The prospect of AH-1G purchase, however, is also poor, and in view of the hot-high performance of that ship I think we should not push it. We should, on the other hand, determine the most propitious moment (from the Bell and Iranian points of view) to commence delivery of AH-1J's, and at the proper time make the proper approach to the U. S. government for FMS sale. I would guess at this stage that a mid-1972 approach for 1974 deliveries would be about right. We should, equally and again at the propitious time, attempt sales of troop carrier and reconnaissance aircraft.

Patton is an impressive soldier, and apparently a most satisfactory head of the Army Section, Armish, in the opinion of Gen. Minbashian.

My call on Jabo Jablonsky was unproductive. He is completely out of the military picture, deeply immersed in his own job.

The distribution of Iranian Army garrisons is important and indicative of where the government considers the danger to lie. Note first (on the map) the mountainous areas, which are very rough and extensive, and served by few roads, each of which passes through numerous easily blocked defiles. The Imperial Guard Division, which with the Gendarmerie undoubtedly has an internal security mission, is at Tehran. The northeast and east borders with

REPORT - IRAN VISIT
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the USSR, Afghanistan and Pakistan are very lightly held; should the Russians attack the strategy would be to trade space (lots of it) for time. The main strength of the Army is deployed to resist Soviet attack through the Caucasus, the shortest route to Tehran, and more particularly against Iraq. Even the armored divisions are garrisoned in the very rough, bare Zagros mountains. Their large complement of tanks and armored personnel carriers will, unless they move out of the mountains offensively into Iraq, find maneuver in the terrain very difficult and subject to easy interdiction. The moral is plain: a substantial portion of the infantry of those divisions should be airmobile.

I made a long (one hour, 15 minutes) prepared talk, with slides illustrating tactics, to what purported to be the Command and Staff College. Actually, the audience of about 35 seemed to be mostly generals, and included the operations officers of all the corps and divisions, when Gen. Minbashian assembled to lecture (he told me) on their sins of omission as respects training. Minbashian nodded vigorously throughout my spiel and then rose to give it a very vigorous endorsement. I think this was all to the good, since I plugged hard for the use of helicopters in mountainous terrain, and gave examples of how it might be done. Copies of the talk have been requested and will be despatched through MAAG.

Gen. Khatami was visited chiefly as a means of getting to see the Shah, but he refused the bait, no doubt on the grounds that he wanted nothing to do with the logistic mess now afflicting the army's aviation.

To MacArthur, Twitchell, Patton, Khatami and Dahesh I made explicit as possible this theme: Bell has profited from its association with Agusta, and Agusta makes a good helicopter; Bell considers Agusta a valuable licensee; Bell understands, however, that there have been delays in Agusta ship deliveries and troubles as regards training, technical publications and spare parts; Bell considers that its own reputation is partly at stake even though Agusta be the contractor; and that because of these facts Bell wishes to make clear its willingness to help, not by supplanting Agusta, but supplementing its efforts if and as requested by the Iranian government and MAAG.

I did not see the "factory" because only Tonfanian is allowed to grant permission and he wasn't here. Tonfanian, however, showed Horsley through it in April; Horsley describes it as a new well-appointed building with crates of machinery around the walls but nothing installed. I saw the outside: it is an impressive complex of buildings whose open doors indicated some sort of preparatory activity within. It was supposed to be in operation by May, but the date has been extended to September. Still uncertain is its function, although Corrado reportedly talked to the Iranians about co-production of the 205 there - which we judge would be in violation of the license agreement. It is reasonable to expect that measures have been taken to set machine tools in place, but the factory has not yet been removed from white elephant status.

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the USSR, Afghanistan and Pakistan are very lightly held; should the Russians attack the strategy would be to trade space (lots of it) for time. The main strength of the Army is deployed to resist Soviet attack through the Caucasus, the shortest route to Tehran, and more particularly against Iraq. Even the armored divisions are garrisoned in the very rough, bare Zagros mountains. Their large complement of tanks and armored personnel carriers will, unless they move out of the mountains offensively into Iraq, find maneuver in the terrain very difficult and subject to easy interdiction. The moral is plain: a substantial portion of the infantry of those divisions should be airmobile.

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To MacArthur, Twitchell, Patton, Khatami and Dahesh I made explicit as possible this theme: Bell has profited from its association with Agusta, and Agusta makes a good helicopter; Bell considers Agusta a valuable licensee; Bell understands, however, that there have been delays in Agusta ship deliveries and troubles as regards training, technical publications and spare parts; Bell considers that its own reputation is partly at stake even though Agusta be the contractor; and that because of these facts Bell wishes to make clear its willingness to help, not by supplanting Agusta, but supplementing its efforts if and as requested by the Iranian government and MAAG.

I did not see the "Factory" because only Tonfanian is allowed to grant permission and he wasn't here. Tonfanian, however, showed Horsley through it in April; Horsley describes it as a new well-appointed building with crates of machinery around the walls but nothing installed. I saw the outside: it is an impressive complex of buildings whose open doors indicated some sort of preparatory activity within. It was supposed to be in operation by May, but the date has been extended to September. Still uncertain is its function, although Corrado reportedly talked to the Iranians about co-production of the 205 there - which we judge would be in violation of the license agreement. It is reasonable to expect that measures have been taken to set machine tools in place, but the factory has not yet been removed from white elephant status.

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Dahesh is an exceptionally bright, direct and lucid young man. After duly noting my mission as I carefully explained it, he said that he had tried to see Ducayot in Paris specifically to inform him as follows.

Start Dahesh: The Shah started considering purchase of helos in 1966-67, but with oil revenue then only a third of what it is today, credit was necessary. Of Bell, Sud and Agusta, only Agusta offered it. That was the time when Bell should have made maximum effort, but with credit the nod went to Agusta.

Corrado is the world's greatest salesman, but Dahesh is very dissatisfied with the present state of affairs. There is a regular 60-day cycle in Iranian-Agusta relationship, from friendship to severe animosity and return. While it is true that Agusta has not sufficiently helped the Iranians, the latter must bear a major share of the blame for current difficulties.

Iran is a one-man state, and all members of the government have for the present the strict duty of going along with Agusta. However, Agusta is spread so thin that it cannot possibly give Iran the help it requires. Bell, on the contrary, is an "impeccable" (sic) company which has ample talent of the sort Iran direly needs. There is no doubt that Bell would be the best partner, but Bell cannot succeed as long as the current attitude of benevolence towards Agusta persists. It is, however, true that patience is already wearing thin. But Bell will enter Iran not through its own merit but through default by Agusta.

The present logistics situation is very faulty. The system should have been set up before the first helo delivery. We now see such ridiculous things as fifth echelon support within the company at Isfahan - where Dahesh recently went, with a party, and found no 205's operational of 15 present.

It is not certain whether Corrado is too proud or too greedy to ask Bell for assistance - probably too proud. But despite difficulties Dahesh must try to make the Agusta support program a success. Bell, however, may be assured that its capabilities, at the appropriate time, will be made clear to HIM, by Tonfanian as well as Dahesh.

The Swindell-Cook report is being converted from its original form at MAGG, but Dahesh made notes when Swindell and Cook briefed him, and their recommendations as originally made will reach HIM via Dahesh - including the recommendation on Cobra.

The factory is being set up as a manufacturing facility - presumably for the 109, since Agusta could not legally make the 205 here. But of what will the helicopters be made? There is no material. There is an Italian manager present but no skilled workmen. Moreover, the 109 will find no market in Iran - not suitable for military, and it is illegal to operate a helo privately in this country.

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Page Five

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For the time being, Bell's approach should be low key. Nothing will happen until the supply of benevolence wears out - but it will, certainly, and then the Iranians will turn to Bell. End Dāhesh.

On Sunday morning Zanganeh continued efforts with the Minister of Courts to get me in to see the Shah, but was referred to Gen. Khatami, Zanganeh's very good friend. Khatami told Zanganeh that he saw the Shah Saturday afternoon, told him I was in the country and had called on him, and then gave the Shah my "theme", as per paragraph marked #. The Shah said that he understood fully, appreciated the Bell offer of cooperation and would keep it fully in mind. I feel that this wasn't as good as seeing his nibs in person, but it should be reasonably effective, nonetheless, eventually.

Altogether, what with Sylvester's, Kulik's, Horsley's, Gallagher's and my efforts we can be assured that the higher echelons of the Iranian government know that somebody besides Corrado Agusta has helicopters for sale, and will make a college try at supporting them.

On Sunday morning Zanganeh got a call from the Minister of Water and Power saying he was buying three AB 205's and wanted Air Taxi to undertake their maintenance. Zanganeh refused, saying that he would be glad to undertake the task if the 205's were bought from and supported by Bell. He said Agusta could not and would not support the ships. But the Minister said Sorry, he had to buy from Agusta, so Air Taxi won't maintain them.

Zanganeh said the LBR two ship purchase would also go to Agusta. Agusta will presumably ask Bell to furnish the fire fighting kit. I am not entirely pessimistic on this matter: while acknowledging the continuing power of the royal benevolence, the Shah might find a two-ship Bell buy attractive as a prod for his skiing companion.

I draw special attention of Bell management to the work of young Messrs. Horsley and Gallagher. They are both highly intelligent and highly presentable representatives of this company, entirely capable of managing its sales interest in Iran or elsewhere.

CONCLUSIONS

1. The Iranian market over the next seven years is potentially a large one, involving purchase of upwards of 400 additional helicopters and the support of an even larger fleet. The 400 will almost certainly include armed helicopters.
2. Bell's short term prospects are poor, its longer term good to excellent. Most sales, however, are likely to be FMS.



REPORT - IRAN VISIT
Page Six

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3. Unless my understanding of Cobra performance is badly out of line, I would not sell the AH-1G to Iran. The most frequent operational conditions are hot and high. Bell should decide promptly on what to propose: the AH-1J or the AH-1G with up-rated dynamics.
4. Bell's prospects can be much enhanced by continuing to evidence an active interest in the market. For the next year and a half I'd recommend periodic visits even in absence of sales. Visits may be limited to Air Taxi, MAAG, and the Purchase and Procurement office.
5. Bell may be asked to assist Iranians in organization of service support and even in setting up and managing the factory. Top flight Bell personnel should be assigned, in this eventuality. Mediocre personnel will not be able to do the job - which will be very difficult. Living conditions in Tehran are not at all bad.
6. There is a real possibility that Bell may, ultimately, be approached by the Iranians on co-production of the 205 and/or 206 at the factory. On the surface, it may be a good idea, and serve to introduce those aircraft to neighboring nations.
7. My actions in Iran may offend Corrado, but only because what I said to Khatemi and, indirectly, the Shah, may be inaccurately reported to Corrado. What I actually said is as reported in the paragraph marked #, which was not intended to submarine Agusta but rather to establish Bell's integrity and willingness (if asked) to help make the helicopter program in Iran a success. Dahesh will not report to Agusta on my visit, but Tonfanian might tell Agusta what I told Dahesh.
8. Air Taxi I consider a good representative.
9. Special attention - red carpet and blue plate - should be given Gen. Khosrodad on his visit to Bell, which should be arranged soon. He is reputed to be able and enthusiastic.
10. Gen. Butch Williamson will take much more interest in the operational readiness of Iranian forces than has Twitchell. He will support acquisition of helicopters to the limit of funds available and the ability of the Iranians to accept them. I consider his assignment a break for Bell.

HOWZE

AIR TAXI CO.

Mehrabad Airport

TEHRAN

40257
Tel. 668992
661967

Telex 2575

Cable TEHRAN AIR TAXI

Date July 21st 1973

No. 1047/73

Yr. Ref. _____



شرکت هواپیمائی ارتاکسی

فرودگاه مهرآباد - تهران

۳۰۲۵۷

تلفن ۶۶۸۹۹۲

۶۶۱۹۶۷

تکس ۲۵۷۵

تلگرافی : تهران ارتاکسی

تاریخ _____

شماره _____

Mr. Frank Sylvester
Bell Helicopter Company
P. O. Box 482
Fort Worth, Texas 76101
U. S. A.

Dear Mr. Sylvester,

Following my yesterday's letter Ref. No. 1045/73, I have learned that your long cable reached here upsetting authorities because of not accepting the "Armed Services Procurement" condition.

They are looking forward to have a meeting with you in Tehran as well as receiving a proposal for I.H.I. contract with BHG. Needless to repeat the importance of the above-said two subjects.

Looking forward to hearing from you favorably soon,

Yours very truly,
AIR TAXI COMPANY

A. H. ZARGARBEH
Managing Director

INTERNATIONAL MARKETING DEPARTMENT	
JUL 30 1973	
Ref. No.	Sylvester
Action	
Info Center for	
Visa	
Marketing	
Administration	
Finance	
Regional	
Washington Office	
File	

APN 2
J. H. Williams

AIR TAXI CO.

Mehrabad Airport

TEHRAN

40257
Tel. 668992
661967

Telex 2575

Cable TEHRAN AIR TAXI

Date July 20th, 1973

No. 1045/73

Yr. Ref. _____



INTERNATIONAL MARKETING DEPARTMENT
JUL 27 1973

Ref. No. _____
 Acct. No. _____
 Acct. Name: Sylvester
 Info. C. No. _____
 V. No. _____
 M. No. _____
 Admin. No. _____
 Area No. _____
 Re. _____
 Yr. _____
 File: IRN. 2

شرکت هواپیمایی ارتا کبسی

فرودگاه مهرآباد - تهران

۲۰۲۵۷

تلفن ۶۶۸۹۹۲

۶۶۱۹۶۷

تکس ۲۵۷۵

تلفرانی: تهران ارتا کبسی

تاریخ _____

شماره _____

Mr. Frank Sylvester
Bell Helicopter Company
P. O. Box 482
Fort Worth, Texas 76101
U.S.A.

Dear Mr. Sylvester,

With reference to our telexes Nos. 357/73, 358/73, 364 and 380 and my telephone conversation with Mr. J. Atkins and also the telephone conversation of Mr. Iranzad with you today, I would like to draw your attention to the following:

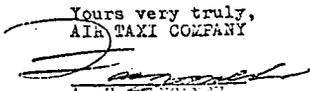
I am pleased to learn that you have full control of the situation and problems concerning the Training and Logistic Contracts. In the course of several recent important meetings that I had with authorities, I was told that BHC should agree with the "Armed Services Procurement" conditions. In addition to the Training and Logistic Support Contracts, the possibility of your taking over the I.H.I. was also discussed which is of great importance for your present and future in Iran. It is the opinion of our friends who believe that you should come up with a solution of these problems rather than cancellation of the said program which may effect other sales and activities.

You recommended us to keep low profile, but during my recent meeting, Gen. Toufanian mentioned your name and activities and I was surprised to find his attitude was considerably changed and seemed much better than what I expected to be.

In conclusion, once again I reiterate the importance of your presence in Tehran to meet Gen. Toufanian. GEN V 37002171

Looking forward to hearing from you as soon as possible, I remain, with best regards,

Yours very truly,
AIR TAXI COMPANY


A. H. ZARGANESH
Managing Director

A - 223

RCA0732/22+

BELL HCPTR FTW

GMT 1132"VIA RCA DFDDF+

BELL HCPTR FTW

JULY /73

REF/387/73

BELL HCPTR FTW

INTERNATIONAL MARKETING DEPARTMENT	
JUL 23 1973	
Ref. No.	
Assigned:	<i>Sylvester</i>
Action:	
Info. Checked by:	
Vice President	
Market Development	
Administration	
Sales Manager	
Regional Manager	
Washington Office	
File	

ATTN. H. E. SYLVESTER

FOLLOWING TELEPHONE CONVERSATION,
 YOUR LONG CABLE REACHED HERE UPSETTING AUTHORITIES.
 THEY LOOK FORWARD TO HAVE MEETING WITH YOU HERE
 SOONEST AND RECEIVING YOUR PROPOSAL FOR OVERTAKING
 I.H.I.
 WE EMPHASIZE THE IMPORTANCE OF THESE SUBJECTS.

REGARDS
ZANGANEH

2575 A TAXI TN

+

BELL HCPTR FTW

2575 A TAXI TN

BELL HELICOPTER COMPANY
INTER-OFFICE MEMORANDUM

23 July 1971
F5:JEG/CF2H:cm:362

Memo To: Mr. F. H. Sylvester

Copies To: Messrs. V. H. Hunt, R. B. Kenworthy, R. L. Ramsey,
W. J. Yates

Subject: Trip Report - Iran - 6-8-71 through 7-10-71

The following report will be covered by subject rather than chronologically for the purpose of continuity.

212 PROCUREMENT

Mr. Dehesh, Assistant Chief of Purchase and Procurement under General Toufanian received instructions originating from His Imperial Majesty (H.I.M.) to postpone further negotiations for the procurement of six (6) Model 212 helicopters. The official reason given was the present lack of funds. The 212s were initially desired for VIP missions during the Iranian 2500th Anniversary Celebrations this October; then to be handed over to the Imperial Iranian Navy.

His Imperial Majesty received his first Model 212 and conducted his inaugural flight on 20 June 1971. This particular flight is covered by separate memo to Mr. F. Sylvester. His second 212 is expected in-country early August.

The Navy five-year plan as defined by Colonel Vali, Commander of Imperial Iranian Navy Aviation, includes twenty (20) 212s, twenty (20) AH-1Js and twelve (12) SH3Ds. The plan has been approved by General Khatami, Commander-in-Chief of the IIAF and awaits final approval from H.I.H.

The general feeling in Iran at the present time is that H.I.M. is aggravated with the whole helicopter program, which could possible effect approval of any large expansion plans.

COOK/SWINDLELL REPORT & HUEY COBRAS

GENV 37002142

Colonels Cook and Swindell departed from Iran the first week of June and as of 10 July their report still had not been submitted to the Iranians. The report was undergoing constant modifications to eliminate specific recommendations for immediate further procurement. The Iranians were expecting to place great emphasis on this report.

In particular, the portion of the report concerning the gunship has been watered down and compared to the 205 as a possible interim solution for a gunship emphasizing the 205's greater all-around mission capability.

Memo To: F. H. Sylvester
 F5:JEG:CFM:emt:002

23 July 1971
 Page Two

COOK/SWINDLELL REPORT & HUGY CORRAS--(Continued)

Presentation of the AH-1G proposal to H.I.M. awaits the final Cook/Swindell report.

During his visit, General House was able to make the point clear that to arm the 205 would greatly restrict the 205 overall mission flexibility and that if in fact the Iranians do have a specific gunship mission that a gunship is the solution, not an armed 205.

H.I.M. had requested studies on both what was called an AB200 and the planned AB100C as gunships. The MAG report did not recommend either of these aircraft for gunship utilization.

MAG are in process of securing the Australian AH-1G vs. UH-1H gunship evaluation. Colonel Sacra, G2 Armish MAG and Major General Brookman, Iranian Central Army Staff visited Germany to witness TOW missile firings.

LOGISTICAL SUPPORT

As further evidence of H.I.M.'s disturbance with the overall helicopter program, he has requested MAG assistance in setting up a logistical support program for all helicopters in-country, and also to conduct a study of the Iranian Helicopter factory.

It was claimed that 90% of spares were now delivered but the Iranians were conducting investigations as to what that truly composed of, as they felt that this would not last them the 1000 hours flying time as contracted for. Many of the spares and tools at Isfahan Base were in the process of being moved to the helicopter factory in Teheran.

The Iranians have yet to receive any spare parts for operation of the sixteen (16) CH47s which commenced delivery 6 July 1971. Whilst a large spares contract is called for, only a \$1000 is provided for engine parts per aircraft.

GENV 37002143

TRAINING

No further pilot training will be conducted at Agusta. The Iranians have contracted Iranian Helicopter Company for 500 hours ground school and 60 hours basic flying for the Models 47 and 205. Five (5) 205As have already been transferred from Isfahan Base to Gallamerge Field, Teheran to conduct the training. Iranian Helicopters are 49% Bristow owned and 51% Iranian owned. They anticipate further contract for 205 training in the near future. A 3.2 million dollar FMS contract is still pending for 205 training in the States.

In addition to training commitments, Iranian Helicopters operate in the Persian Gulf for offshore oil supply. Iranian Helicopters is the Agusta agent for commercial sales. Gen. Khetami is a "director" of Iranian Helicopters.

Memo To: F. H. Sylvester
 #5:JEC:CI/DH:cmt:062

23 July 1971
 Page Three

IAF 205A FIRE SUPPRESSION

The 205 LOR proposal has been submitted and is now up for review by the Purchasing and Procurement Office. Mr. Dehesh maintains that there is no budget for these aircraft at the present time but could in time either go through via EXIM assistance or FIS; though Mr. Dehesh feels this purchase will be negotiated through our licensee if go-ahead is given.

COMMERCIAL

The Ministry of Power and Water have a requirement for two (2) 205s for aerial surveillance and control of high voltage transmission lines. This procurement again will be conducted through our licensee.

The Red Line & Sun (Red Cross equivalent) has a five-year plan for ten (10) helicopters to carry out Red Cross work in outlying villages and provinces. It was recommended that a combination of litter-equipped 205s and 206s be utilized plus a feasible study to advise them of the best operational procedures to satisfy their specific mission.

The SA330 Puma was demonstrated to the Teheran Fire Department and they were very impressed; but with their budgetary limitations plus obvious practical advantages, a 205A will be procured instead.

The Teheran Police Department have two (2) 205As on order and can be expected to procure a further four (4) over the next three years.

GENERAL HOWZE VISIT

The visit of General Howze was well received and is covered in a separate report directed to Mr. Ducajat, copy to Mr. Sylvester.

GENERAL KHROSOOD

In early June, the General left for the United States for six months' aviation training. He will take up the post of Commander-in-Chief of Army Aviation and Special Forces Units on his return. Before he departed, he submitted a request to H.I.M. complaining of the state of the helicopter program. The 205As were averaging less than 20 hours flying time per month and the 206As less than 10. The IAF average close to 50 hours per month with their HX3s.

The General is a dynamic individual and a close friend of H.I.M. He is determined to build the IAA to a force of 500 helicopters plus by 1976. If he falters, the Air Force will probably take over the whole helicopter program.

Memo To: F. H. Sylvester
FJ:JEG:CFB:cm:062

23 July 1971
Page Four

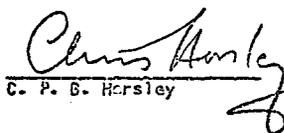
CAPTAIN BOLTON

Captain Bolton is now busy selling Hughes products to the Iranians having been appointed their agent for Iran at the Paris Air Show. Mr. Dehesh maintained that they would not be procuring any spare parts or aircraft from him and that this had been made abundantly clear to Bolton.

In conclusion, the market remains in a fluid state, calling for a constant and close surveillance. Our representative, Air Taxi Company, has been requested to provide a weekly status report. Close contact will be maintained with the U. S. Army as they continue to play an ever increasing role.

The market continues to reveal increasing long term sales potential, both in civil government and military. Proposals will be submitted for civil government requirements emphasizing fast delivery and complete logistical support. Efforts to obtain attractive financing are in progress.


J. E. Gallagher, Jr.


C. P. B. Horsley

74

3

0

Franchise

Town

IRAN = EAR-RAN NOT EYE-RAN

Advanced Train Course

11M - anti slip materials

1145 - LBR

Gendarmerie

Civil Govt
Min Ag

Co production
Have ²¹⁴ rights + will produce

Tanzania

T. K. G. T. G.

Historical background
people - ethnic groups -

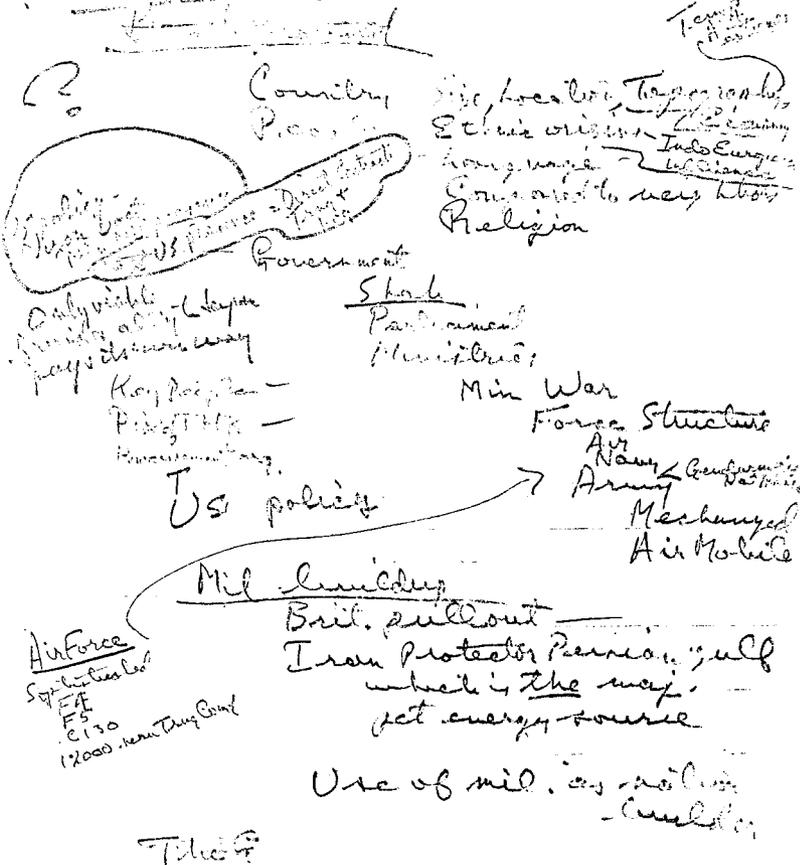
- Key people
 - Shah - absolute monarch
 - Thompson - Tank driver
 - Toufanina - aide
 - Khatami - pilot
- Program -
Small unorganized org.

Pix - T.H.K. - Film

~~Program evolution - from April 71 to March 72.~~

- ~~a) Spare support~~
- ~~b) 35 gunships~~
- ~~50 2.0 5.1~~

The Country - 1 -



- 2 -

Program
A Hardware Development Feb 71 - March 73

① Species support problems
Gene big briefing

② Subsequent collaboration
coop with
Army
MIO
May

led to progressive series
of proposals ^{for under the hood} ^{and increase} ⁱⁿ ^{the} ^{development} ^{of} ^{their} ^{plans}
the development of their plans

③ Finally culminating
in their decision to procure

214 = JGA

202 Is GENV 37002127
287 214's
4.84 ^{and} ^{plus} ^{the}
2

work support plan in an 8-115 - 6 in 7 - 12 10 11 12

B. Training
~~Contract for~~ Contract for Availability produced
Requirements
 not only hardware requirement
 but also the req. to train
~~1534~~ ~~pilots~~ 1534 pilots by 1978

* Direct to Ball
 G to G

-7015 ^{and} Technicians by 1978
 to US Army technicians.
 We now hold contract for first
 year to train

50 pilots
 and
 500 technicians

Part Training prog to be incorporated into
center at Isfahan.

First yr of Train trng at HK
 in 1111 \rightarrow
 then transferred to Isfahan
 which is to be the
11AA Trng Comd

— 4 —

BHC committee
 P + M meeting at VTHH on April 10
 Istanbul

Because the instructor's contract and material including preparation to 2nd thru 5th trip yrs must commence all the 6 months of the first yr, it follows that unless we break our piece was now held for next 5 yrs, the entire 5 yr prog.

5 yr program
 This involves the commitment of some ———— strips + families in Iran in the 1974 thru 1975 time frame at which time — in theory — we will commence phase out and turnover to the Iranians.

~~To set this up as a termination we have formed BHC Inc. under the Corp~~

Eo

5

and on April ~~1941~~¹⁹⁴⁰ a charter of
 DC's covering the first training
 cycle plus the materials, special
 topics and training aids etc.
 To continue our past work

Prog. on "Index" — list
 2-5

6

C. Logistics

Air Mobility plans and hardware being produced req parallel to that for advanced military transport system

Task force formed for and operated by a centralized Helo Log Comd having resp for support of all helos in Army Navy AF + Coast Guard.

BHC proposal to be presented by 4/70

vision +
concepts

essentially consisting of a computerized system for the

Proc
Tech }
Control
(L. & C. etc)



of ammunition material
and
maintenance support
of

GEN V

37002131

the Travin Helo Fleet of
over 1000 units of various types etc in 1970

- 17 -

\leftarrow
 would like to have ^{accepted} \rightarrow prog
 into distribution ^{how} \rightarrow ^{forward}

BH:

under this org:

logistics

Manning

volume

Financial Impact of Policy

D. Challenges

- 1. Disinflation
- 2. Unemployment
- 3. Inflation
- 4. Long-term
- 5. ...

... increase in ... productivity ...
 as good or better than

Eng, ... performance ...
 BH1 ... to ...

Full ...

Manufacturing ...
 - 1. ...

→ these ... will be ...
 halfway around world ...
 be as available for ...

2 Maint/Maintenance

Must assume on-robot delivery of aircraft spare parts with special attention to the long lead times and the expense of air to purchase failures & limited life parts.

Our responsiveness will be critically judged.

3 Quality

associated w. cost
 Inspection personnel must be
 involved thru early & close cooperation
 w. Engg ~~to know the aircraft~~
 to know the aircraft,
 how it's built and what
 to look for (may be as important
 to come up with)

: 5000 } Supply
 # { Logistics
 Program

- 10 -

⑤ Btl

Assure success of Training and Log programs - upon which the hardware prog depends -

by:

- ① Meeting training schedules and standards

- ② Providing efficient official supply and maintenance support

- ③ Controlling the cost of personnel, facilities, and equipment

!!

McIntosh
Challenger

1. Sales Admin Train Cobra - with help of program plus additional units
2. Train on $\frac{1}{2}$ cost of Cobra fleet
3. Respond to opportunities and customer requests
4. Co-Prod
- 3 Sales to AF, Navy, Civil, Civil Govt.
5. Estimate of Income as a ME
 Making Support + Training base

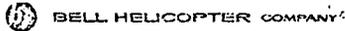
- 12 -

Management
Summary

Provide functional groups
with resources requisite to the
achievement of timely and
cost-effective deliveries of programs,
products and services without
compromising Basel standards
and customer expectations

This is the ^{joint & collective} responsibility of
everyone in this room

Mini packages - saleable
around world



November 22, 1971

Memo To: Mr. E.J. Ducayet

Subject: Agusta-Iran Program

This memorandum is written to record the background and general results of my discussions with Corrado in Tehran on November 13 and 14.

Background.

Iran decided to make a substantial purchase of helicopters during the 1965-1967 period. Bell was very involved with the Vietnam situation and did not make a major effort to obtain this business. In addition, Prince Victor Emanuel and Corrado had direct connections with the Shah. The Government of Italy offered favorable financing and perhaps major commissions were involved. The initial purchase of Bells was 100 LOH's and 50 Hueys. Agusta also sold 6 Sikorsky SH-3D's and 16 Boeing CH-47's. Mr. Dehesh has stated that the Iranian procurements from Agusta totaled more than \$140,000,000.

Agusta Program Performance.

Agusta has consistently failed to meet its commitments to Iran. This includes its delivery commitments, logistics support requirements and various general commitments. Corrado has direct contact with the Palace and does not give proper attention to his relations with the procurement office and other areas of the Iranian Government. It is my judgment that Agusta does not have the program knowledge or the depth of personnel to handle such a large program. I believe that the manufacturing of the Sikorsky and Boeing helicopters have caused big problems for Agusta's thin organization. Gen. Howze's memorandum of July 6 should be carefully reviewed, and is certainly a fine summary of the situation.

At the present time it seems to be the feeling of Gen. Williamson and Gen. Toufanian and Mr. Dehesh that the program is not in deep trouble. This is probably because the Iranians have had a hard time in making effective use of the equipment delivered. There is also the possibility that the improved situation results from improved Agusta performance, program timing, improved Iranian operations, or perhaps the pressure brought on by the Shah and/or Bell through interest in the program.



BELL HELICOPTER COMPANY

Mr. Ducayet

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11-22-71

Relations with the Shah.

Prince Emanuel primarily, and Corrado secondarily, have established a very strong relationship with the Shah. I believe that the Shah now understands that he needs American technology and American know-how to properly develop his helicopter program, and it is for this reason that the Shah sent the word that Bell was welcome in Iran. However, the Shah feels that Agusta came to Iran when Bell had little interest, that Corrado invested and is a partner in Iranian helicopter industries, that Corrado is now sharing in the losses of the IHI, and that for these reasons and the friendship, the Shah does not want to break off relations with Agusta. In my mind we must find a way to include Agusta in the program in order to have a chance of consummating the transaction.

Bell Marketing.

We have conducted a strong marketing effort in Iran since early 1971. At Management's direction, the Marketing Department has attempted to refrain from interfering in the established Agusta program. We have made every attempt to interest the Iranians in the Cobra and also have sought out their interest in additional Hueys or LOH's. The Iranians now indicate a firm requirement for 30 Cobras, probably twin engine, and 100 to 300 additional UH-1H's. General Khosrowdad, who is now in the U.S. for training, will play an important part in determining the final requirements. It is publicly stated that His Majesty has not decided between straight procurement as against co-production program. However, I feel that they are strongly leaning towards co-production and the Government has obtained co-production proposals from both Agusta and Bell. It is my estimate that there is a possibility of developing a \$100,000,000 helicopter program over the next five years.

Agusta License Rights.

Agusta have made many claims regarding their rights under the various license agreements to both the Government of Iran and to Bell. Corrado showed me a page from his co-production proposal in which he stated that the license agreement for the Model 205 must be obtained direct from Bell. This same page of the proposal indicated Agusta's estimate of a license fee of \$300,000 and royalties per ship of \$10,000.



Mr. Ducayet

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11-22-71

In discussions with Corrado he indicated that Agusta had rights in 3 specific areas:

1. Amendment 2 to the Model 205 license agreement was issued for the purpose of standardizing the royalty rate on spares between the Model 205 and the 212. This amendment did not pertain to sales rights, but I had a long phone conversation with Corrado in which he claimed that this amendment gave him the exclusive right to sell the Model 205 in Iran. In discussions in Iran he claimed that during the 212 negotiation, and particularly during the negotiation of the spares royalties, it had been agreed to change the Model 205 license territory to the same territory as negotiated for the Model 212. He indicated that Domenico had overlooked this fact in signing Amendment 2 to the Model 205 license. This of course was not correct and was an improper statement on the part of Corrado.

2. Corrado also claimed and had informed General Toufanion that the Model 212 license gave him an exclusive right to sell Model 205 parts which are common to the Model 212. This claim on the basis of the Model 212 license is of course not correct. The Model 212 license is an exclusive right to sell helicopters and spare parts for the Model 212 helicopter. It does not in any way pertain to parts which may be common to the Model 205.

3. Corrado bases his manufacturing rights in Iran on the paragraph pertaining to subcontracting in the Model 205 license agreement and perhaps this is his best claim. This paragraph in the Model 205 license agreement reads as follows:

"C. Agusta is further granted the right, within the sales area as defined in Articles III.A and IIIB below, to enter into contracts with other manufacturers located in said area for the manufacture of components or spare parts for Agusta of the Bell Helicopter Model 205. To assure that such manufacturers are properly qualified to produce the critical components or parts required for use on the type of aircraft hereunder licensed, such agreements shall not be entered into by Agusta until and unless each such agreement shall have been approved in writing by Bell. It is understood, however, that such approval shall not be unreasonably withheld."

I generally feel that Corrado recognizes that he has no right to co-produce the Model 205 in Iran. I believe he argues the above points in an attempt to improve his position from a negotiating standpoint.



Mr. Ducayet

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11-22-71

Your Questions Regarding Agusta's Claims.

1. "Statements supposedly made by Agusta indicate that Agusta would have the right to license the 205 by January 1, 1972, and Bell could not manufacture, sell or license in Iran without Agusta permission."

I cannot definitely answer this question. It is certain that the Government of Iran and Corrado have discussed Agusta's rights in Iran. It is equally certain that Bell Marketing probably outlined Agusta's rights as they are set forth in the license agreements. I was asked many questions regarding Agusta rights and answered these questions as straightforward as possible. I showed Dehesh the paragraph in the Model 205 license agreement on subcontracting. I was asked the question as to whether Agusta had any established right to future Bell models. I think I established complete credibility as regards the license relationship between Agusta and Bell.

2. "Figures (budgetary or estimated) included in Agusta proposal on license fees and royalties with no permission or quoted figures from Bell."

Corrado himself showed me a page from his proposal which quoted license fees and royalty rates. It did point out that these rates were an Agusta forecast. However, when I quoted rates to the Iranian Government I had problems because of the previous estimates put forth by Agusta.

3. "Attempts to obtain a letter of intent to buy from Iranian factory and thus force Bell to license."

General Toufanian advised me that consideration had been given evidently at Corrado's suggestion to send Dehesh and Corrado to the States for the purpose of negotiating a license agreement with Bell.

4. "Bell parts being made in Iranian factory - no permission."

I toured the IHI factory. They are making a few ground support items for overhaul purposes. I saw no evidence of Bell parts being produced in the IHI factory.

5. "Agusta-Sikorsky sales efforts on Black Hawk."

I directly queried Corrado on whether or not they had offered the Black Hawk in Iran. He claimed that he had no interest



Mr. Ducayet

-5-

11-22-71

whatsoever in the Black Hawk, that he had had no license discussions with Sikorsky, and that he didn't even have a brochure on the Black Hawk. However, after I indicated that we had picked up information in Washington that a Sikorsky team sponsored by Agusta had made proposals in Iran, he said "Well, perhaps Prince Emanuel may have done so." Prince Emanuel came in later and when queried by Corrado denied such statements. After Corrado had seen the Shah he stated that he had asked the Shah if Prince Emanuel had advanced the Black Hawk and of course the Shah's answer was no. I believe that Agusta at least brought the Black Hawk to His Majesty's attention. I know that His Majesty requested a comparison of the AH-1J, AH-1G, Black Hawk and Cheyenne from Toufanian. I understand that His Majesty turned down the Black Hawk, and perhaps Gen. Williamson played part in this decision.

Iran Helicopter Industries.

We were furnished a copy of the agreement between the Government of Iran and Agusta under which these facilities were constructed. At the present time the Government owns 70% and Corrado 30%, with Corrado having the option to increase his ownership to 49%. We are not sure of the capitalization, but we believe it to be approximately \$5,000,000. Corrado has the right to appoint the Managing Director, subject only to ratification of the Board of Directors. We believe that the Board of Directors consists of General Toufanian, engineer Toufanian, Dehesh, Prince Emanuel and Corrado. The factory consists of a manufacturing building of approximately 100,000 feet. It is a modern building, has processing tanks installed, equipment being installed, a separate room to house transmission and gear box testing, etc. It is a fine facility, certainly capable of handling the overhaul program and probably capable of handling assembly work on a co-production program at a low rate of production. Corrado has named a general manager who is a Spaniard and I understand was previously responsible for the manufacture of bicycles. The Iranian Government is insisting that he be replaced. At the present time, other than completion of installation of equipment, there is no work going on in the main factory building. There is also a 30,000 foot flight hangar which would certainly be adequate for any program.

Discussions with Corrado.

I met with Corrado on four separate occasions: Saturday afternoon, Saturday night, Sunday afternoon, and then Sunday night at General Toufanian's house.



Mr. Ducayet

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11-22-71

The initial discussions were aimed at developing a general relationship between Agusta and Bell. Corrado and I both took the approach that it would be desirable to work out mutual understanding whereby we could go forward and fight the competition as against fighting each other.

We then got into specific discussions regarding the Iranian program. I asked Corrado why he was having such difficulties in Iran with his logistics support program in view of the fact that there were approximately only 100 ships involved. He of course avoided giving direct answers on any program problems which I raised. Through these discussions it was obvious to me that Corrado was very worried about the Iranian program, and probably understood better than Bell that the Iranians wanted Bell technology and know-how and Bell's presence in the country. In talking about the specific 100 ship UH-1H co-production program, I stated that Bell was not interested in granting license or participating in the program unless Bell had control of the program. This was the basic theme that I attempted to develop through the Saturday conversations. Corrado on the other hand took the position that Bell should grant a license agreement and the production and program should be Agusta's responsibility. Late Saturday night Corrado finally made the suggestion that he would agree to a program under which he had control of the program but 25% of the production came to Bell. We finally closed the conversation on that basis and agreed to talk again on Sunday.

On Sunday morning I decided to talk to Mr. Dehesh and ask his advice on how to proceed with Agusta. I was attempting to determine if the Government of Iran was prepared to take any action against Agusta. My discussions with Dehesh convinced me that the Shah was committed to Agusta and desired a co-operative program between Agusta and Bell. Dehesh left me to have discussions with Toufanian and as a result Toufanian called Corrado and arranged for Corrado to meet with him at his home at 5 P.M. and I was to join the discussions at 6 P.M. In the meantime, Agusta and Bell were to attempt to work out their problems.

I returned to the Hilton and completely informed Corrado of my discussions with Dehesh and told him that I had refused to talk to General Toufanian at this time. We repeated our position and after much discussion I made the suggestion to Corrado that Bell would be program manager and that 50% of the Bell designed parts would be manufactured in Italy and the balance in the States. Corrado stated that this offer was not acceptable, and much discussion followed.



Mr. Ducayet

-7-

11-22-71

Corrado then stated that he would accept 50/50 program share if Bell was willing to assume its part of the high commissions that would have to be paid on this program. He indicated that these commissions amounted to 10% to 20% of the program price. I told Corrado that we had a bona fide agent to whom we expected to pay a reasonable commission if the contract developed, but that we certainly would not be a party to an agreement such as he was suggesting. I emphasized that Bell did not operate on such a basis. He then fell back and stated that the program split should be on a 75/25 basis and he would take care of all commitments. Scafidi at this point injected himself into the conversation and suggested the advantages of reaching an agreement. He suggested that maybe the split should be 70/30 or 60/40 but he felt that we should have a common front to the Iran Government. Corrado spoke harshly to Scafidi and this conversation terminated. I then suggested that we needed to reach an agreement as to our approach to General Toufanian. Corrado suggested that we tell Gen. Toufanian that we had not reached agreement, that we were making progress towards an agreement, and that we would have further discussions in Fort Worth on November 29. I agreed that this was probably the best approach under the circumstances and we parted at about 4:00 o'clock in the afternoon on this basis.

I arrived at Toufanian's house with Frank Sylvester promptly at 6 P.M. and joined Corrado and Mr. Dehesh and the General. Toufanian made some opening remarks about Agusta's position in Iran, the fact that Corrado had come early to Iran and helped the Iranian Government in time of need, that Corrado had made investments in the factories and accepted part of the losses of the factory, and that Corrado had important connections with His Majesty which could not be overlooked. The General then asked if we had reached agreement on a possible program. I suggested that Corrado reply and he suggested that I carry the ball. I went through a general statement on the submittal of the co-production proposal and talked about Agusta's rights as they are contained in the license agreements. I advised Toufanian that we had had 3 separate meetings with Agusta and that, although we had made some progress we had not reached agreement. I advised the General that Bell had finally proposed to be the project manager and that Agusta would be responsible for the IHI operations. Further, that the procurement out of Iran would be made on the basis that 50% of the value of the Bell designed parts would be manufactured in Italy and the remainder in the States. Toufanian then made some general statements that a 50/50 split might not work to the economic advantage of Iran. Corrado



Mr. Ducayet

-8-

11-22-71

joined in and as a stockholder of IHI stated that he was interested in the most economic program for this company and further that he expected preferential treatment for Agusta-Italy. Toufanian and Agusta were both expressing the feeling that they were interested in a license to manufacture in Iran with the thought that all production procurement would be from Italy. At this point, and since it appeared that Toufanian and Corrado had preconceived this conversation, I took a firm stand and advised Toufanian that Bell was not interested in issuing a license agreement without a co-production program under its control. I further told Corrado that his position was in 100% variance of our agreement of a few hours earlier, and that therefore any offers I had made in the two days of conversation were withdrawn. At this point Toufanian suggested a recess and Dehesh, Corrado and Toufanian left the room for 30 minutes.

When they returned I told Toufanian that I was very sorry that this matter had to be brought to the attention of the Iranian Government, and particularly in his home. Toufanian suggested that Bell and Agusta attempt to work out an agreement and return with a proposal. I told Toufanian that I did not know if this were possible after the turn of events, and I would have to consult with my principals. Toufanian suggested that Corrado was coming to Fort Worth and perhaps we could have further discussions at that time. I looked at Corrado and said "I don't know where such discussions would lead or what our present status is." At that point I stood up and asked General Toufanian for an appointment on the following day. He immediately suggested 7:45 in the morning. I said good-night and this was the last time I saw Corrado.

On the following day I saw General Toufanian and spent about 4 hours with him. He was interested in a license and co-production proposal from Bell which he could present to the Shah. It was obvious that he had been influenced by Corrado or had taken his previous evening's stand in the hope that Corrado would report back to the Shah that Toufanian was fighting his battle. The next several days' discussions seemed to indicate that Toufanian was not favorably disposed towards Agusta and would very much like to see them replaced in the country by Bell.

We checked the Hilton Hotel on Monday morning and found that Corrado, Scafidi and Prince Emanuel had left for Italy.



Mr. Ducayet

-9-

11-22-71

Compromise.

The following possibilities could be considered in a compromise agreement with Agusta:

1. BHC proceeds with the Model 214 development program with Iran.
2. BHC takes a management contract on IHI with a provision for purchase of 50% of Agusta's ownership at a later date. Bell would end up with 24 $\frac{1}{2}$ % of IHI.
3. Bell grants Agusta a license on the Model 214 exclusive in Italy and non-exclusive on certain other countries.
4. Bell grants Agusta a Cobra license for Italy only.
5. Agusta participates in the costs of the Model 214 development program and in return receives license.
6. Bell/Agusta do a major re-do of all licensed territories.
7. Bell takes ownership in Agusta.
8. Bell and the Government of Iran form new company and build new facilities in Iran.
9. Bell and Agusta agree to co-operative effort in Germany on the LOH program.
10. Bell/Agusta explore the possibilities of joint development of the Model 109.

A handwritten signature in dark ink, appearing to read 'J. F. Atkins'.

J. F. Atkins
Executive Vice President

10:JFA:jj-220

JUNE 27, 1973

TELEX 24588

BELL HELICOPTER

BRUSSELS, BELGIUM

ATTN: V. H. HUNT

BELL CONFIDENTIAL

BE INFORMED THAT POLICY APPARENTLY EXPRESSED BY PIKE AND CONVEYED TO DOD BY SALMON AS RIGID AND ADAMANT POSITION OF ZERO AGENT COMPENSATION ON FMS PROGRAMS WITH PARTICULAR EMPHASIS ON BASS PROGRAM IS EXPECTED BY DOD TO SPREAD TO COUNTRIES THROUGHOUT THE ENTIRE REGION.

OUR POSITION WITH WHICH DOD AGREES IS THAT AGENTS PERFORM ESSENTIAL AND PROPER FUNCTIONS IN THE PROMOTION OF SALES OF U.S. GOODS AND SERVICES THROUGH FMS CHANNELS PARTICULARLY AS RELATES TO FOREIGN COMPETITION AND ARE THEREFORE ENTITLED TO APPROPRIATE COMPENSATION.

WE MUST THEREFORE MAKE EVERY EFFORT TO INSURE THAT ANY COMPENSATION COMMITMENTS MADE TO AGENTS WITH RESPECT TO ANY TRANSACTION BUT PARTICULARLY THOSE UNDER FMS ARE MADE WITH THE FOREKNOWLEDGE AND UNQUALIFIED APPROVAL OF THE PROSPECTIVE CUSTOMER.

FRANK M. SYLVESTER

Europe

IRN 5

DFDF#

BELL HCPTR FTW

2575 A TAXI TN

BELL HELICOPTER CO. FTW 758229

SEPT 21/72

REF 371/72

ATTN MR FRANK SYLVESTER

INTERNATIONAL MARKETING DEPARTMENT	
SEP 21 1972	
Ref. No.	<i>Iran</i>
Assigned:	
Action:	
Info Copies to:	
Vice President	<input checked="" type="checkbox"/>
Market Development	<input checked="" type="checkbox"/>
Administration	<input checked="" type="checkbox"/>
Area Manager	<input type="checkbox"/>
Regional Director	<input type="checkbox"/>
Washington Office	<input type="checkbox"/>
File	<input type="checkbox"/>

1972 SEP 21 11 06 AM
 TELETYPE UNIT
 RECEIVED
 INTERNATIONAL MARKETING DEPARTMENT

REFERENCE OUR TLX 370/72 PLEASE READ MR 'H' AS MR HORSLEY.

WE FEEL OPTIMISTIC TO OBTAIN THE LARGE SPARE PARTS ORDER OF IHI AND WOULD APPRECIATE YOUR CONFIRMATION OF OUR TEN PERCENT COMMISSION SO THAT WE CAN FURTHER WORK TO ENSURE SECURING THIS LARGE ORDER WHICH HOPEFULLY WILL SET PRECEDENT FOR REPEATED ORDERS.

WOULD APPRECIATE YOUR ADVISING US OF CONDITION JACK GALLAGHER - WE HOPE HE HAS MADE SOME RECOVERY.

REGARDS IRANZAD

✱

BELL HCPTR FTW

2575 A TAXI TN

Sept 21 1972
I informed thru Horsley by
telex for relay to Air Taxi:
Commission pursuant to
provisions of Amendment to
MERA ^{effective} April 1, 1972
FMS

. 763820 FT WORTH TEXAS. 18.OCT.72 HI

MR. J. GALLAGHER.
MONTYHAWKS YRTWX.

RECEIVED
1972 OCT 18 AM 9:37

AA. TRANSMISSION TEST STAND PRICING SHOULD BE LESS 90 AND 42 DEGREE
GEAR BOXES.

TOUFANIAN *GEN. KHATAMI*
BB. ~~SUS~~ HAS REQUESTED ~~MULLEN~~ TO MAKE AVAILABLE ONE C-130 TO COLLECT
ALL SPARES AWAITING SHIPMENT THUS HOLD UNTIL FURTHER DETAILS
BECOME AVAILABLE.

BEST REGARDS HORSLEY.

INTERNATIONAL MARKETING DEPARTMENT	
OCT 18 1972	
Ref. No.	
Approved:	<i>Jean</i>
Admin:	
Info. Files for:	
Marketing	
Product Development	
Customer Service	
Finance	
Legal	
Public Relations	
Training	
Other	

Proctor

NNNNN
CELL WORTH FTW

FTT 10 10 1550

HELICOPTER FTW

9512575"

10/10/72 1550 EST

2575 A TAXI IN

733229 BELL HELICOPTER CO FT WORTH TEX MSG 111 10-10-72 330PM

951-2575 AIR TAXI CO

MEHRABAD AIRPORT

TEHRAN IRAN

ATTN K IRANZAD

REFERENCE YOUR MESSAGE 395/72 DATED 10 OCTOBER 1972.

AA

FOR YOU TO NEGOTIATE A 5 PERCENT COMMISSION WITH ENGINEER SUSY
FOR TO AGREEMENT WITH PHC IS IN OUR VIEW UNTIMELY
AND IMPROPER. IF YOU HAVE IN FACT NEGOTIATED 5 PERCENT, IT IS
PROBABLE THE OUTSTANDING 2 1/2 PERCENT MAY BE FOR THE
COST OF AIR TAXI.

ASK YOUR ROOM MGR ABOUT THIS

RCA0700/100

BELL HCPTR FTW

GNT 1102"VIA 000 DFDDF

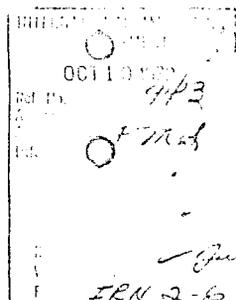
BELL HCPTR FTW

2575 A TAXI TN

BELL HELICOPTER CO. FTW 758229 TEXAS

OCT 10/72

REF 385/72



ATTN FRANK SYLVESTER.

AA FOLLOWING OUR DISCUSSION REGARDING COMMISSION PAYABLE ON THE FIRST IHI LARGE SPARE PARTS ORDER, WE HAD FURTHER MEETING WITH ENG SUSY AND HAVE CONVINCED HIM OF OUR POSITION. WE ARE NOW AGREEABLE TO A FIVE PERCENT COMMISSION, ON THIS ONE ORDER, UNDERSTANDING ALL THE WORK AND EFFORTS ON BELL'S PART. WE TRUST YOUR IMMEDIATE RECONSIDERATION AND CONFIRMATION OF YOUR APPROVAL BY RETURN TELEX.

BB HAVE ARRANGED WITH IIAF TO FLY ALL THE REMAINING PARTS/ EQUIPMENT OF DEMO WITH THE FIRST C-130 LEAVING TEHRAN DIRECT TO FORT WORTH ON OCT 11. ACCORDING TO THE LAST MINUTE ADVICE, ALL REPEAT ALL PARTS LEFT TEHRAN THIS MORNING.

BEST REGARDS IRANZAD.

2575 A TAXI TN

TELEX

12-4-71
12:50 AM

TO: 2570 N FORT TH
FROM: AIR TRAIL COMPANY
TELETYPE UNIT
ATTENTION: A. H. ZANDVICH

IN TELEPHONE CONVERSATION LAST NIGHT ALICE INFORMED THAT SUSY
HAS NOT RECEIVED ATKINS' LETTER DATED APRIL 25 COPY OF WHICH
WAS SENT TO YOU.

PLEASE RECONFIRM BY RETURN TELEX THAT THE LETTER HAS IN FACT
BEEN RECEIVED BY BOTH AND ADVISE THE REACTION OF EACH TO IT.

SYLVESTER
BELLICRAFT

BELL HELICOPTER FTW

104

INFO A TAXI IN

BELL HELICOPTER CO. FTW 758229

SEPT 20/72

REF 270/72

ATTN MR FRANK SYLVESTER

INTERNATIONAL MARKETING DEPARTMENT	
SEP 20 1972	
Ref. No.	897
Assigned To	
Action:	<i>F. M. Sylvester</i>
Info Contact	
Vice President	
Marketing	
Admin	
Finance	
Rec. Mgmt.	
Files	<i>Jack</i>
File	<i>IRH 2-6</i>

(Change your initials)
(Change your name)
(Change your title)
(Change your phone)
(Change your fax)

W. J. ...
...

REFERENCE OUR SHORT MEETING BEFORE YOUR DEPARTURE, I WOULD LIKE TO REPORT THE FOLLOWING RECENT IMPORTANT EVENTS:

AA AS A RESULT OF REGULAR MEETINGS WITH ^{DEHESH}~~FRONT~~ THEY ALL EAGERLY AWAIT FMS OFFER WITH INDICATIONS THAT IT MAY STILL GO DIRECT IF PRICING AND DELIVERIES OF FMS ARE UNFAVOURABLE VERSUS YOUR OFFER. THE THREAT OF SIK 'BLACK HAWK' STILL REMAINS AS THEY LOOK FOR GUNSHIP MOST COMPATIBLE WITH 214A, THOUGH NO EXACT DATE EXISTS FOR DEMO. WE ARE MAKING EVERY EFFORT TO REDUCE THIS THREAT AND MR H HAS BEEN GIVING US EVERY ASSISTANCE.
Horsley

BB ACCORDING TO NO 1, ^{DEHESH}~~FRONT~~ AND ^{KHOSRODAD}SKATE, THE DOOR IS STILL OPEN FOR BELL TO SECURE TRAINING PROGRAM AND EVEN LOGISTIC SUPPORT DIRECT.

CC ^{AGUSTA}~~ROOPER~~ IS IN TOWN BUT BELIEVE HIS ACTIVITIES DO NOT INTERFERE AND/OR CONFLICT WITH YOUR PROGRAM.

GENV 37002082

DD PRATT AND WHITNEY ENGINE CONTRACT HAS BEEN REJECTED AS THE ENGINES WILL BE PROCURED THROUGH EITHER FMS OR BELL.

EE WE HAVE MAINTAINED DAILY CONTACT WITH IIAF AND FINAL SHIPMENT
OF DEMO PARTS WILL NOW BE SHIPPED IN TWO EQUAL SHIPMENTS
LEAVING TRN BY C130S NEXT SATURDAY AND SUNDAY IE 23 AND 24
SEPTEMBER RESPECTIVELY.

FF WE HAVE MADE ARRANGEMENTS TO PAY COST OF FUEL CONSUMED DURING
DEMOS.

BEST REGARDS ZANGANEH

2575 A TAXI TN

758224 TELEX PD BELL HELICOPTER CO 214 772 4000 001
MSG 193

9512575 AIR TAXI
TEHERAN IRAN

ATTN J GALLAGHER

AA MY ARRIVAL TEHERAN ORIGINALLY PLANNED FOR MONDAY NIGHT
NOW DELAYED. PLAN ACCOMPANY JFA TO WASHINGTON FOR
MEETINGS WITH DOD, STATE AND SCHOOL OFFICIALS. NOW
PLANNING ARRIVE TEHERAN BOAC 320 FRIDAY, AUGUST 4, 1110.
PLEASE ADVISE IF THIS NOT OKAY.

BB FOR RELAY TO E J SMITH. SPIVEY WANTS TO KNOW IF WE NEED
BALLAST FOR 214 DEMO AND IF SO HOW MUCH.

CC REUR TELEX 24TH , PARA BB. WE WILL AWAIT ALICE CONFIRMATION
THAT NO FMS RESTRICTIVE STATEMENT WILL BE INCORPORATED.
HOWEVER, THE POINT SHOULD BE STRESSED AND STRESSED AGAIN
THAT WE HAVE NEVER SEEN OUR GOVERNMENT ARGUE REP COMPEN-
SATION WITH A FOREIGN GOVERNMENT.

WE ARE VERY CONCERNED AND DISAPPOINTED THAT HAVING WHAT WE
THOUGHT WAS COMPLETE AGREEMENT IN PRINCIPAL, THE ACTUAL
AGREEMENT HAS NOT BEEN SIGNED. PLEASE TAKE THE SAME KIND
OF STRONG POSITION WITH THIS THAT SUCCESSFULLY PRODUCED THE
LETTER OF INTENT AND ADVISE.

SYLVESTER
BELLCRAFT
END TU RC

Ruining
(Signature)

7-17-72

BELL HELICOPTER CO, FTW

REF 249/72

ATTN: F. M. SYLVESTER

- AA** GEN. WILLIAMSON SUPPORTS GEN. HOWZE SCRIPT ONE HUNDRED PERCENT. HAS EVEN SUGGESTED SOME ADDITIONAL EVENTS THAT CAN EASILY BE DONE WITH MINOR MODIFICATIONS. THESE EVENTS CAN BE DISCUSSED AT A LATER DATE DURING GEN. HOWZE'S PRESENCE HERE.
- BB** MAKING EVERY EFFORT TO OBTAIN CONFIRMATION OF C130 ARRIVAL IN WRITING. EXPECT TO RECEIVE TOMORROW OR NEXT DAY.
- CC** EVALUATION OF AIRCRAFT TO BE CONDUCTED BY COMBAT RESEARCH EVALUATION COMMAND (CREC) UNDER THE COMMAND OF MG BROO. ENDAN. MEETINGS CONCERNING THE PREPARATION OF EACH EVALUATION SITE AND NECESSARY DETAILS FOR DATA COLLECTION ETC. ARE CONDUCTED TRI-WEEKLY. MEMBERS CONSIST OF REPRESENTATIVES OF CREC/MAAG/GEN. KHOSRODAD/AIR FORCE/RESEARCH TECHNICAL INSTITUTE/NAVY/GEN. TOUFANIAN GROUP AND MYSELF REPRESENTING BELL.
- DD** ACTUAL EVALUATION TEAM WILL CONSIST OF APPROX FIVE DATA COLLECTORS, FROM THOSE GROUPS MENTIONED IN CC ABOVE. HAVE INCLUDED AT THE REQUEST OF CREC SMITTY AS BELL REP. MAKE SURE SMITTY BRINGS ALL RELATIVE DATA CONCERNING BOTH BIRDS.
- EE** ARADMAC/MTT TEAM WAS EXTREMELY WELL RECEIVED. GEN. PATTON THINKS GEN. TOUFANIAN MAY DRAG HIS FEET REFERENCE FACTORY AND RELATIVE SUPPORT UNTIL TEAM COMPLETES REPORT END OF SEPTEMBER. GEN. WILLIAMSON HOPES THAT WE CAN GET TOGETHER WITH ARADMAC AS TO NOT DUPLICATE OR CONFUSE EFFCRT. ACTION OBVIOUSLY STRIKER NEEDS TO MEET WITH MTT REPRESENTATIVES ASAP.
- FF** DEHESH SAYS JFA SHOULD BE HERE FOR MAIN DEMO WHICH IS NOW ESTIMATED TO TAKE PLACE ON OR ABOUT AUGUST 26. THIS PROVIDES US MORE PROPOSAL/SUMMARY PREP TIME. CAN FALL BACK NOW TO ORIGINAL TIMING FOR IN-COUNTRY PROPOSALS BY MID AUGUST. DEHESH SAYS IF WE WANT TO INVITE CORRADO FINE. HOWEVER, HE DOES NOT WANT TO INVITE HIM.

PAGE 2

- GG REF TO DOD FUNDS - BESIDES STATEMENT BY DEHESH THAT SUFFICIENT COMMERCIAL FUNDS ARE AVAILABLE, SHAH RELUCTANT TO COMMIT FUNDS FROM ANYWHERE THAT CONCERN THIS PROGRAM FOR FEAR OF PREJUDICING THE ISSUE. FOR THIS REASON UAEL DID NOT RECEIVE CONTRACT. DEHESH FULLY AWARE AND APPRECIATIVE OF THE FACT THAT WE MADE HIM AWARE OF ADDITIONAL FUNDS.
- HH RELATIONSHIP OF GEN. TOUFANIAN AND GEN. KHOSRODAD EXTREMELY STRAINED. GEN. KHOSRODAD BOWING OUT OF PICTURE AND STATING HE IS TO BE THE OPERATOR AND NOT RESPONSIBLE FOR THE PURCHASE OR EVALUATION OF EQUIPMENT THUS THE APPOINTMENT OF NEW EVALUATION TEAM.
- II AIR FORCE IS STILL IN THE PICTURE BUT AT THIS TIME ONLY AS AN OBSERVER AND TO SUPPLY SUPPORT FOR DEMO.
- JJ CREC CONFIRMS THAT THEY WILL NOT REQUIRE ANY FORMAL AIRCRAFT BRIEFINGS.
- KK AIR TAXI HAS SIGNED AND DISPATCHED AMENDMENT TO MPRA BUT WITH CHANGES.
- A) AMENDMENT IS TO BE DATED APRIL 1, 1972.
- B) ZANGANEH DOES NOT AGREE WITH PARAS REFERENCING FMS CASES AND HAS WRITTEN A SUGGESTED ADDITIONAL PARA ON THAT SUBJECT. I HAVE NOT HAD AN OPPORTUNITY TO DISCUSS THIS PARA IN DETAIL WITH ZANGANEH BUT WILL DO SO TOMORROW AND WILL REPORT OUTCOME. A BRIEF REVIEW OF ADDITIONAL PARA IN MY ESTIMATION IS TOTALLY UNACCEPTABLE AND HAVE ADVISED KHALIL OF THAT FACT.
- SIGNED AMENDMENT AND COVERING LETTER WAS MAILED JULY 13, 1972. ESTIMATE YOU TO RECEIVE APPROX JULY 20 OR 21.
- LL HORSLEY DEPARTS FOR LEBANON WEDNESDAY MORNING.
- MM CORRADO NOT IN TOWN AND IS NOT EXPECTED.
- NN DEHESH AND GEN. TOUFANIAN OFF TO FRANCE TUESDAY AND THURSDAY RESPECTIVELY. MISSION AS OF YET NOT KNOWN BUT WILL FIND OUT AND TELEX.

BEST REGARDS.

GALLAGHER

Burchill/Kurgett

.2572 A TAXI TN

BELL HELICOPTER CO FTW

JULY 18/72

REF 256/72

ATTN: F. SYLVESTER

AA GREC MEETING TODAY FINALIZED:

- 1) GENERAL ORDERS FOR BROOMENDAN SIGNATURE AND GEN. MINBASHIAN'S APPROVAL ESTABLISHING THOSE REQUIREMENTS NECESSARY AND COMMANDER'S RESPONSIBLE FOR THE PROPER EXECUTION OF THE EVALUATION AND DEMO. THIS INCLUDES PREP OF SITES - RANGES - P AND L - SECURITY, ETC.
- 2) AN EVALUATION CHECK LIST TO RECORD PERFORMANCE DATA AT EACH EVALUATION SITE ALSO FOR APPROVAL OF BROOMENDAN TOMORROW.

BB REFERENCE MFRA AMENDMENT FOR AIR TAXI. HAVE DISCUSSED WITH JOE AND HE OBVIOUSLY CONCERNED ABOUT BEING LEFT IN THE COLD IF IN CASE U.S. TO IRAN NEGOTIATIONS RESULT IN UNFAVORABLE POSITION REGARDING REMUNERATIONS. HAVE STATED HIS NEW PARA ABSOLUTELY UNACCEPTABLE. HOWEVER JOE WISHES TO FURTHER DISCUSS THE MATTER WHEN FMS/JFA PRESENT AND CONTRACT VALUE KNOWN.

CC IT IS RUMORED THAT DEHESH AND TOUFANIAN WILL STOP TO SEE CORRADO ON RETURN TRIP - REASON FOR VISIT FRANCE IS RUMORED TO BE MISSILES. THEIR DURATION OF TRIP TEN DAYS.

DD PLEASE SEND MAX ALLOWABLE SMALL LITHOS OF ALL MODELS. THIS IS TO BE USED FOR RECRUITING PROGRAM.

EE AIR TAXI IN NEED OF TEN EACH LATEST ALL BROCHURES AND ROTORWAYS.

FF MEET WITH GEN. KHATAMI'S CHIEF OPS TOMORROW TO DISCUSS TRANSPORTATION CONFIRMATION SCHEDULE.

GG DEHESH GIVEN ME AUTHORITY IN WRITING TO COORDINATE WITH DEPTS INVOLVED ALL ACTIVITIES FOR PREPARATION OF EVALUATION AND DEMO AND RELATED SUPPORT REQUIREMENTS.

BEST REGARDS

GALLAGHER

A TAXI TN

BELL HELICOPTER CO FTW

JULY 18/72

REF 257/72

ATTN: F. SYLVESTER

HEREWITH ADDITION TO MY TELEX 256/72 JULY 18.

HH BRISTOW HAS REQUIREMENT FOR APPROX EIGHT MORE 47S TO MEET INCREASED TRAINING SCHEDULE DUE TO NEW CONTRACT. THEY WILL PROBABLY BUY USED EQUIP BUT HOWEVER WILL PROVIDE GSA PRICING. WE EVENTUALLY WILL HAVE TO NEGOTIATE SOME ARRANGEMENT WITH THEM CONCERNING TRAINING DEPENDING OUTCOME OUR PRESENTATION. HOWEVER FEEL IT PREMATURE TO DISCUSS AT THIS TIME. BRISTOW CONTRACTED TO TRAIN 100 TO 150 DRIVERS PER YEAR.

GALLAGHER

BELL HCPTR FTW

2300INTRCON TN

TELEX 758229 FT .WORTH TEXAS

ATT. D.MITCHELL FOR JFA:CRR.

INTERNATIONAL MARKETING DEPARTMENT	
AUG 8 1972	
Ref. No.	
Assigned	
Action	<i>File</i>
Info Copies for:	
Vice President	
Market Development	
Administration	
Area Director	
Regional Director	
Marketing Office	
File	

Burgett

*Mr. D. J. ...
D. J. ...
Read ...
W. ...*

AIR TAXI
JUL 29 1972

AA. NEED AUTHORITY EXECUTE COMPENSATION AGREEMENT HERE SO JOE CAN COMMIT RESOURCES IMMEDIATELY. THIS WOULD THEN BE EXCHANGED FOR ORIGINAL EXECUTED IN FT. WORTH WHICH WILL BE MAILED IMMEDIATELY ALSO EXECUTED HERE BY JOE. CALL ME IF PROBLEMS OTHERWISE TELEX CONFIRMATIONS BEARING IN MIND I DEPART TEHERAN FOR SANANDAJ WEDNESDAY 0700 HRS.

BB. UNDERSTAND FROM TELECON THAT WORKSPLIT WITH GRACE HELICOPTER 206 COVERS COMPLETE MEDIUM FISH LINE. CONFIRM THIS ALSO INCLUDES FUEL IN NUMBERS OUTLINED YOUR TELEX THIS DATE ON SUBJECT OF COMPENSATION.

SYLVESTER.

⊕
BELL HCPTR FTW

2300INTRCON TN
.....

DIAL 102 FOR RCA OVERSEAS TELEX.

⊕
BELL HCPTR FTW



BELL HELICOPTER COMPANY

INTER-OFFICE MEMORANDUM

HORSLEY REPORT NO. 3June 28, 1972
F1:CPBH:pb-150

Jack:

I talked to Nic just after you did. I couldn't reach him before as he was not available.

He did emphasize to me that the Iranians hadn't as yet decided which way to go on training and, while he did give us all the information possible, he was not sure we would get a contract.

The Iranians are keen to involve the U.S. Army to the maximum extent.

I talked to the Bristow people the other day. They had just been given a further contract to double the number of pilot intakes. They are reasonably sure of being part of Gen. Khatami's empire. We may want to consider a joint pilot training scheme with them to guarantee a contract.

The MTS team arrived yesterday from ARADMAC. They will be here until mid-July. They should be contacted on their return.

Don Butler returned home yesterday. We had a good farewell party for him. He is off to San Antonio - 5th Army Hq. He will stop by to see you all in about two weeks. He is taking the slow way home through Europe. He hopes he will have a chance to meet Mr. Weichsel.

HIM has very positively edicted the helicopter program be completed in 5 years. WOW! It is a target that most people feel will be impossible to reach, but of course typical of the approach HIM must take to get anything done at all. He must push and shove for things greater than the ordinary mortal can imagine. As long as he can pay for it, I'm sure we can help him meet most of the objectives.

Messrs. McClaren and Gillies of UACL take their hastily prepared contract for 280 twin pacs to Dehesh's office this morning for signature. They expect to have it within 5 days. The contract does not become valid until September 1st. Dehesh talks of the J as 90% confirmed, and still as an FMS case.

Page No. 2

F1:CPBH:pb-150

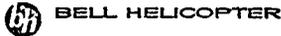
The name "Blackhawk" still comes up in various quarters, though I can't put my finger on who is promoting it. Somebody is. It seems to be doing well back home.

Ed Wyman left today for Tel Aviv. He had a good stay and stuck to the party line, though pointed out clearly that if the 214 came unstuck, the boat would rock with the Cobra. He wants to see the AH-1G here badly. He thought Corrado would be in town also, but definitely he is not.

Iranian Army Air are starting massive enlistment drives in the colleges and high schools for pilots, etc., and Maj. ___?___ has asked me for lots of color photos of UH-1H, OH-58A and Cobras, plus a bunch of lithos (both large and small). Also any old calendars would be of great help. Could you air mail to me through Air Taxi? As many as possible. Many thanks.

Best regards,

C. P. B. Horsley



INTER-OFFICE MEMORANDUM

Brussels, February 14, 1972.
Ref. VHH/mh 1056.

INTERNATIONAL	
FEB 17 1972	
Ref. No.	153
Assigned	Carroll
Action	J.P.P.
Info. Cont.	
Ver.	
Market	
Admin.	
IRN 2-5	

To : Mr. F.M. Sylvester,
Vice-President,
International Marketing,

Cc : Messrs. J.E. Gallagher, D. Mitchell, W.J. Yates,

Subject : IRAN

Further to my telex No. 1011 of February 7th, we have now heard from Air Taxi that after several discussions with Mr. Dehesh, and some hesitation by him and General Toufanian, their Ministry prefers not to write a letter such as we drafted. Instead, they wish to discuss the whole subject while visiting Fort Worth.

This is as expected. While it would be preferable for the Government of Iran to commit its wishes to paper, that they do not, is typical of relations between the Shah and his officers and Government Departments - and indeed of Middle East business processes. There can, by contrast, be no doubt about their verbal expressions on several occasions and over a period re wanting B.H.C. to take the primary role in any future program.

Even if Horsley could obtain some written statement, which in the short time prior to their departure for the U.S. seems unlikely, we don't feel this would have much value. What they want will be reiterated behind closed doors, rather than on paper. In our view, this will again stress Bell program leadership.

Given their imminent visit, the Shah's absence in St. Moritz, and Air Taxi's monitoring, we doubt much useful can be gleaned, or any decisions made in Teheran, this month. We foresee March as crucial, when our own and Agusta's activities after the Toufanian/Dehesh visit may justify a fairly constant presence in Iran.

We have enthused General Khosrowdad, disappointed Dehesh and Toufanian, with no real idea - anyway here - of how Corrado is



Brussels, February 14, 1972.
Ref. VHH/mh 1056. Page 2.

handling it with the Shah. We will need a united B.H.C./Agusta front on this before the Fort Worth visit.

Patricia B. Tyn

V.H. Hunt,
General Manager.

(Dictated by Mr. Hunt and signed
by secretary, in his absence)

MEMORANDUM OF CONVERSATION

PARTICIPANTS: General Toufanian
 LTC Rezvani
 MG Williamson
 Mr. Alne
 Mr. Dehesh
 Mr. Thieberger
 Mr. Miller
 Mr. DeGroote .

DATE & PLACE: 2 November 1972, General Toufanian's Office

SUBJECT: 214A and AH-1J Letters of Offer

COPIES TO: Mr. Alne
 Chief, ARSEC
 Chief of Staff

Mr. Alne opened the discussion by pointing out the changes which had been made on the J-model letter of offer: the total number has been reduced from 234 to 202. The total dollar amount has reduced but the cost per unit has increased about \$12,000; however, \$1,200 was deleted on the radio change, \$2,807 on the compass change, and \$7,828 on the IFF/radar beacon change, resulting in a net increase of \$544 per aircraft.

The USG has responded to General Toufanian's request that the initial payment requirements be changed. The proposed figures were: \$0 in 1973, \$48M in 1974, and \$74M in 1975. Then, at Mr. Dehesh's request that the schedule be changed to coincide with the FY basis that the USG uses, the new figures became: \$15.66M in 1973, \$67.94M in 1974, and \$109M in 1975.

Mr. Alne then discussed the insurance charge on the 214A and noted that this charge was not included in the AH-1J. In sum, the total cost of the AH-1J program is \$296 million. Copies of the AH-1J letter of offer were given to General Toufanian who discussed it in Farsi with Mr. Dehesh. At the end of this discussion, General Toufanian thanked Mr. Alne and set the letter aside.

Mr. Alne then asked Mr. DeGroote to pass out copies of the 214A letter of offer and opened the discussion by stating that HF radio would only be placed in 20% of the aircraft, the change in the intercom unit which General Sadefi had requested had been made, some changes in the already low disbursement schedule were made, and two notes were added, these being ~~on~~ the EXIM

Bank financing arrangements and the recoupment of military qualification costs. General Toufanian discussed the letter in Farsi with his colleagues and then said that he thought HIM would approve the letter.

Mr. Alne then said that he had helped the Bell representatives write their letter to General Toufanian on the co-production and licensing and fees request of the GOI. He added that he was convinced that this was a fair offer on the part of Bell.

(General Toufanian said that he had talked with General Khatami and covered the problem of the difficulty of attracting young men to the IIAF. He added that apparently General Khosrowdad did not have this problem. General Williamson cautioned against being too optimistic.)

Mr. Alne then returned the discussion to the 214A letter of offer and pointed out that it included provisions for ground and flight insurance at a cost of \$2,500 per aircraft. He explained that the USG insures itself against loss or damage and recommended that the GOI do the same since the premium is so high. This insurance covers the period of time when the aircraft comes off the production line but has not yet been delivered to the GOI---flight testing, etc. Mr. Alne again pointed out that this was not included in the Navy letter since it was assumed that the GOI would self-insure. General Toufanian said that the GOI had always self-insured before and would do so in this instance. He then X-ed out the insurance clause.

General Toufanian then called for the Bell letter mentioned above and read it in detail. Mr. Alne pointed out that the letter concurred in co-production, the \$45,000 and \$25,000 recoupment on sales to other than USG and GOI, and that the GOI and Bell would share, as partners, in licensing with the GOI receiving 25% of all license fees and 25% of all royalties after payment of recoupment charges in item two. Mr. Alne asked General Toufanian if he thought these terms were fair and General Toufanian said that he thought so and felt he could get the letters approved by HIM.

General Toufanian then stated that, after signing, the biggest and most difficult task would start---training. He went on to say that his biggest responsibility is the I.H.I.. Since the GOI bought out Count Corrado, it has become an organization and is no longer a company. General Toufanian said that he needs help since he can no longer call Count Corrado and tell him to send people to help solve problems which arose. There are four or five aeronautical engineers

at I.H.I. who are foreign educated and worked with Agusta in Italy but still do not have sufficient experience to work on their own---and neither are the apprentices who were trained by Agusta in Italy. Someone is needed to help with training, and in any other way possible. General Toufanian said that he would entertain a proposal in this field. He pointed out that the Wells team had looked at the factory and were aware of the capacity, requirements, etc.

General Williamson said that there were two major things coming up in the immediate future which would help. First, General Moench is coming to look at the overall personnel requirements for all three services, to include the I.H.I. He will be trying to determine if our government can afford to give all blue-suiters or if we should attempt to mix a portion of the personnel. There is another eight man group coming to look at the Aviation Center in Isfahan to give a recommendation on the overall lay-out of that organization. Because of the press of time, some things have already been done, such as the C-130 TAFT and the sixteen men for the Aviation Logistics Command. The latter can look at both the Aviation Log Command and the I.H.I. This will provide some help in that area.

There is another group of six men, in conjunction with the sixteen mentioned above, who will be a planning group, working as an "add-on" to the MAAG staff. Since these men cannot supplement the MAAG staff, it is anticipated that the Moench team will find a place for them. Since the sixteen will be able to help Engineer Toufanian at the I.H.I., the big problem now is to provide some help at the working level.

General Toufanian agreed with this completely and said that the weakest part of the I.H.I. is the documentation and that manuals are desperately needed to help overhaul helicopters, etc.. Mr. Dehesh pointed out that there are three levels of personnel missing between top management and the apprentices. General Williamson agreed and noted that at MIS Mr. Fourinash can contact his parent company in the States and get help or equipment immediately, and that the I.H.I. needs this type of arrangement to provide a close tie-in. He added that Engineer Toufanian's requirement is over and above anything already considered. Mr. Dehesh agreed and said that I.H.I. needs technical/industrial types, not military men. Mr. Alne asked if this shouldn't be a civilian services contract and General Toufanian and General Williamson both agreed. General Toufanian added that it should be someone who understands equipment and who has a close tie-in with a firm in the States (per General Williamson's recommendation).

General Toufanian asked who General Moench should see in the GOI when he visits and General Williamson said that this would essentially be a MAAG visit since his mission is not oriented just to Iran. General Moench will be attempting to obtain information for Congress and will be looking at all MAAGs, with an eye to justifying the increase of personnel in Iran even though the rest of the MAAGs are reducing in size. His visit is actually a direct result of the conversation between President Nixon and HIM last May. General Toufanian said that he understood this but still felt it necessary to make some preparations---such as explaining the increased requirement for HAWK personnel.

General Williamson pointed out that General Moench is not the survey team requested for the GOI. General Toufanian still said that he felt it imperative for explain that the GOI is not ready to implement the HAWK program without assistance. Mr. Alne suggested that General Toufanian do this by amplifying HIM's statement and listing all requirements/programs which the GOI has pending. General Toufanian agreed and cited the case of the 175mm gun which he is afraid to use because his people are too inexperienced and will "break" it. General Williamson pointed out that the major portion of this work has been done in the past few months---resulting in the request for 1,009 personnel. General Moench is essentially coming out to help understand how the USG respond to this request.

Mr. Alne stated that this team may think statically and recommended showing them charts of commitments made and projected requirements, and said that these charts should show how many are required and when. General Toufanian said that the IIAF knows of its requirements but that he felt he would have to check with the IIGF and the IIN.

General Williamson recalled the discussion which he had with General Toufanian and Admiral Attaie which resulted in the early fill of the twenty-one spaces for the IIN and the one space which will soon be filled for Admiral Anoushirvani at the I.T.C. at Bandar-e-Pahlavi. He then said that General Moench is thinking at the government-policy level and can learn more by talking with General Toufanian. He also cautioned against giving him too many charts to look at---all he needs is assurance that Iran needs personnel. General Moench needs to understand the overall psychology---such as that Iran does not want USG personnel to man guns or fight wars---only technicians

who can teach the Iranians to do this properly for themselves.

Mr. Alne then said that occasionally the USG runs into a problem providing a man with specific qualifications requested by the GOI and asked that General Toufanian be a little understanding in this area. General Toufanian said that he understood.

General Williamson asked if Mr. Alne and his group could tour the M.I.O. facility and arrangements were made for a tour at 0900 hours, 4 November. Lunch will be included in the tour.

February 1973

Major Afsahi IIAA	303400 311131, ext. 363
Aghayan, Chahine Abbasabad Ave. Zomoroo Bld.	845011 Home - 625847
Lt. Col. Atabaki	303400
General Azarbazin	791558 Home - 796001
Col. Baharami IIAA	661922
Art Brooke (Personnel - MAAG)	755473 892767 (Home)
Mr. Brooks Lycoming Rep	682767
Maj. Gen. Broomandan Chief, CREC	315768
Major Brown	764065
Mr. Dehesh Saltanat Abad	884078 Home - 880889
Nick Doiron MAAG Aviation Advisor	318093, Ext. 28 865010 (Home)
Rudy Escamino ARADMAC Team	621369
Lt. Commander Ed Hobbs U.S. MAAG Nav, Avn - Iran	765701
Khalil Iranzad	313706 Home - 824061
General Khosrodad	661922 Duty Office - 303400 Home - 759552
Kordestani, D. (Aghayan, Law Office)	845011
Lt. Col. Lafiam Avn Adv, MAAG	318093, ext. 21
Stewart McKilligan 37 Ave Kutche Tajbakshe (Bristow Rep)	627713

Lt.Col. A. Nicholson MAAG Avn	318093, ext. 28/21
Lt.Col. John Passano MAAG Avn	318093, ext 28 Home - 884758
Sonny Pitts Iran (Northrop)	761180
Lt. Col. Reeves Avn Advisor Office Isfahan	03124708 03122041
Major Rezania IIAA	533440 Home - 977150
Col. Salem CREC	318024
Mr. Schren Pol. Mil Embassy Advisor	824001
Bob Shott First Nat. City Bank	834347
Col. Stooke Asst. to Duncan U.S. MAAG	764065
Brig. Gen. Soucek Chief, Army MAAG	392919 Home 880990
General Toufanian Vice Minister of War	961666
Eng. Toufanian IHI - Mehrabad Airport	960661/4
General Williamson Chief, MAAG Iran	846786 Home - 062136
Aide (Capt. Santone)	844066
Col. Yarborough	318093
Charlie Young Iran - Senior Lyc. Rep.	836825

General

American Embassy	824001
American Officers Club	884034
Commodore Hotel Teheran	663154
Foreign Housing Bureau Mahmood Zarbafi (Dir.) 361 Takhte Jamshid	830081/82 821811 821723
IIAA - Imperial Iranian Army Aviation	661922
Intercontinental Hotel Teheran	635021
Iran Country Club	892012 or 16
IHI - Iranian Helicopter Industry	960661
Taxi Service (ask for Davood)	827676
U. S. MAAG (Officers Club)	884034

IRAN

11-17-72

CABLE Major A. Afsahi
 Imperial Iranian Army Aviation
 Ghavamsaltaneh Avenue
 Iraj St., No. 3 Phone: 303400
 Teheran, Iran 311131, ext. 363

CABLE Lt. Col. Atabaki
 Imperial Iranian Army Aviation
 Ghavamsaltaneh Avenue
 Iraj St., No. 3 Phone: 303400
 Teheran, Iran

CABLE Brig. General Azarbarzin
 Director Operations
 Imperial Iranian Air Force
 Doshan Tappeh Phone: 791558
 Teheran, Iran Home: 796001

CABLE Colonel Bahrami
 Imperial Iranian Army Aviation
 Ghavamsaltaneh Avenue
 Iraj St., No. 3 Phone: 651922
 Teheran, Iran

CABLE Major Bahrami
 Imperial Iranian Army Aviation
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 Iraj St., No. 3 Phone: assume as above
 Teheran, Iran

CABLE Major General Brocmandan
 Imperial Iranian Ground Forces
 Combat Research & Evaluation Center
 Sevvan-E-Esfand Avenue Phone: 315768
 Teheran, Iran

TELEX Mr. H. Dehesh
 Purchase and Procurement Department
 Saltanat Abad Phone: 834078
 Teheran, Iran Home: 830839

CABLE Lt. Col. N. Doiron
 Army Section ARMISH MAAG
 Army Headquarters Phone: 310093, Ext. 28
 Sevvan-E-Esfand Avenue Home: 865010
 Teheran, Iran
 APO New York, New York 09205

CABLE Ambassador Farland
 Embassy of the United States
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 Teheran, Iran

Lt. Gen. Mir Hassan Akafi
 Commanding General
 Imperial Iranian Armed Forces
 Helicopter Logistical Command
 Mehrizad Airport
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CABLE Captain Golhjoni
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Teheran, Iran

CABLE Lt. Col. Hall
Armish MAG
Teheran, Iran
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CABLE Mr. L. D. Heck
Deputy Chief of Mission
Embassy of the United States
Takhte Jamsid Avenue
Teheran, Iran

TELEX Mr. Khalil Iranzad
Sales Manager
AIR TAXI COMPANY
Mehrabad, Airport Teheran, Iran
Phone: 313796
Home: 824051
TELEX NO: 2575 A TAXI TN
CABLE: AIR TAXI

CABLE General Khatami
Commander in Chief
Imperial Iranian Air Force
Doshan Tappeh
Teheran, Iran

CABLE Brig. Gen. M. Khosrodad
Commanding General
Imperial Iranian Army Aviation
Ghavamsaltanah Avenue
Iraj St., No. 3
Teheran, Iran
Phone: 651922
303400 - Duty Office
Home: 759552

TELEX Mr. Pierre Martinet
General Manager
Hotel Intercontinental
Iran Novin Avenue Teheran, Iran
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TELEX NO: 2300 INTRCON TN

CABLE General F. Minbashian
Commander in Chief
Imperial Iranian Ground Forces
Seyvan-E-Esfand Avenue
Teheran, Iran

CABLE Brig. Gen. O. B. Patton
Deputy Assistant
Chief of Staff
Intelligence
Department of the Army
The Pentagon
Washington, D. C. 20301
GENV 37002248

Major C. Pease
 Army Section Armish MAAG
 Army Headquarters
 Sevvan-E-Esfand Avenue
 Teheran, Iran
 APO New York, New York 09205

Colonel Saffaq Poore
 Imperial Hangar
 Mehrabad Airport
 Teheran, Iran

Lt. Col. T. Reeves
 Army Section Armish MAAG
 Army Headquarters
 Sevvan-E-Esfand Avenue
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 APO New York, New York 09205

OFFICE IN ISFAHAN
 Aviation Advisor Office
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 phone: 03124708
 03122041

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 Teheran, Iran

Colonel Salem
 Imperial Iranian Ground Forces
 Combat Research & Evaluation Center
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 Phone: 310024

Captain Santone
 Armish MAAG
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 Phone: 844066

Brig. Gen. L. E. Soucek
 Chief Army Section
 Armish MAAG
 Army Headquarters
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 Phone: 332919
 Home: 880990

General H. Toufanian
 Vice Minister of War
 Saltanat-Abad
 Teheran, Iran
 Phone: 961656

Engineer Toufanian (brother)
 Iranian Helicopter Industries Co.
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 Teheran, Iran
 TELEX NO: 2329 HELIR TN
 CABLE: HELIRCO

Colonel Yarborough
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 Army Headquarters
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 APO New York, New York 09205
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CEN 37002249

CABLE	M. J. Gen. E. Williamson	Phone: 345726
	Chief Armish MAG Tehran, Iran	Home: 352136
TELEX	M. A. H. Zanganeh	TELEX NO: 2575 A TAXI TH
	Managing Director AIR TAXI COMPANY Mehrabad Airport Tehran, Iran	CABLE: AIR TAXI
	Phone: 313706	

GENV 37002250

AIR TAXI CO.

Mehrabad Airport

TEHRAN

40257
Tel. 668992
661967

Telex 2575

Cable TEHRAN AIR TAXI

Date Jan. 5, 1971.

No. S/13/1577

Yr. Ref. _____

Mr. F.M. Sylvester,
Vice President International Marketing,
Bell Helicopter Company,
P.C. Box 482,
Fort Worth, TEXAS 76101,
U.S.A.



AIR

شرکت هواپیمائی ارتاکسی

فرودگاه مهرآباد - تهران

۴۰۲۵۷

تلفن ۶۶۸۹۹۲

۶۶۱۹۶۷

تکس ۲۵۷۵

تلهگرافی: تهران

INTERNATIONAL MARKETING	
JAN 12 1971	
Ref. No. _____	033
Assigned _____	
Action: _____	
Info Copies To:	
Vice President	<input checked="" type="checkbox"/>
Manager	_____
Market Support	_____
Administration	_____
Washington Office	_____
Manager Sales	_____
File: <u>ERN 2-2</u>	
cc: <u>EJD</u>	

تاریخ _____
شماره _____

Dear Mr. Sylvester,

I received your kind letters dated the 3rd and 16th December, 1971, with respective enclosures together with two envelopes addressed to General Toufanian and Mr. Dehesh. I immediately hand-carried and delivered them to the addressees personally.

Mr. Zanganeh is presently in Europe and, I am sure, he would have contacted you by long distance telephone to discuss various matters of mutual interest.

I am glad to inform you that the Activity Report was mailed to you on the 29th December, 1971. For your information, Mr. Horsley recommended us to send monthly activity reports instead of weekly reports. Because of pressure of work and being involved with many visitors during the last 2-3 months of 1971, I could not send you the report earlier. From now on I will do my best to make sure that the activity reports are sent to Mr. Horsley in Brussels with a copy to you, regularly.

I gladly read the recent changes in the top management of Bell Helicopter Company. On behalf of Mr. Zanganeh and the Air Taxi Staff, I extend my sincere congratulations and best wishes in the promotion of Mr. E.J. Ducayet and Mr. J.F. Atkins, who have been elected to the posts of Chairman and President of Bell Helicopter Company respectively.

GENV 37002240

I feel confident that these promotions will speed up progress and achievement in the prevailing Iranian campaign. Please convey our congratulations and best wishes both to Mr. Ducayet and Mr. Atkins.

I look forward to seeing you again in Teheran in the near future and remain,

Yours very truly,
AIR TAXI COMPANY,
F. Zanganeh
K. Iran

AIR TAXI CO.

Mehrabad Airport

TEHRAN

40257

Tel. 668992

661967

Telex 2575

Cable TEHRAN AIR TAXI

Date December 29, 1971

No. S/14/1568

Yr. Ref. _____



شرکت هواپیمائی ارتاکسی

فرودگاه مهرآباد - تهران

۲۰۲۵۷

تلفن ۶۶۸۹۹۲

۶۶۱۹۶۷

تکس ۲۵۷۵

تلفرانی: تهران ارتاکس

INTERNATIONAL MARKETING DEPT.	
Ref. No.	JAN 10 1972 (2)
Assigned:	<i>[Signature]</i>
Action:	<i>[Signature]</i>
Info Copies:	<i>[Signature]</i>
Vice President	<input checked="" type="checkbox"/>
Manager	<input type="checkbox"/>
Market Support	<input type="checkbox"/>
Administration	<input type="checkbox"/>
Washington Office	<input type="checkbox"/>
Manager Sales	<input type="checkbox"/>
File	IRN 2-2

تاریخ _____

شماره _____

Mr. F. M. Sylvester,
Vice President,
International Marketing,
Bell Helicopter Company,
P. O. Box 482,
Fort Worth, Texas 76101,
U. S. A.

Subject: Progress Report

Dear Mr. Sylvester:

Following is the progress report covering last quarter of 1971:

IIN - PO/BL-6154 Ground Support Equipment

With reference to J.E. Gallagher's letter dated April 12, 1971 and enclosed proforma invoices, the IIN rejected your quotations and refused to buy the required GSU thru Air Taxi/Bell owing to the fact that the first item of your proposal, namely Sun Electric Hydraulic Test Units Qty (2) amounting to \$30,400/- (not mentioning whether FCB or C&F) was about 50% higher than the quotation received from Sun Electric Inc., for the same units as per the enclosed photocopy of their proforma invoice which we were able to obtain thru some confidential means. Consequently, IIN people thought that all other items quoted by you are similarly over-priced. We were quite surprised to see this over-price in your quotation especially in the face of your advance knowledge about the severe competition existing in this market.

AOG Parts for IIN

CFNV 37002241

We regret to inform you that the AOG parts required for IIN as requested in our telex Ref. 71/71, dated Sept. 26, 1971 to be shipped against Air Taxi's account was never attended to. As a reminder, we telexed Bell Ref. No. 127/71, dated November 4, 1971 and were advised in reply, your telex MSG 106 dated November 5, 1971 that our telex Ref. 71/71 was not on record although your Answer Back at the end of the telex message Ref. 71/71 shows full acknowledgement of this telex to Bell. Therefore, on November 6, 1971, we enclosed a copy of our

.../...

029

:- 2 :-

Mr. F. M. Sylvester, Bell Helicopter, USA

telex Ref. 71/71 with our airmail letter No. S/13/1476/BL7101 but unfortunately we have never had a reply from you about the fate of this order.

QUOTATION FOR IHI

In our letter S/13/1521, dated the 1st of December, 1971, we requested you to send us a quotation for the parts requested by IHI, however, in his letter dated December 16, 1971, Mr. Gallagher Jr., informed us that item Nos: 72, 73, 78, 92, 136, 137, 140, 150 and 155 were viewed by you during your visit to Iran and that the quotation desired by IHI was for purposes of comparison only. It is our view that even if the quotation was for comparison purposes, Bell must submit his quotation in such a way that it is possible for us to obtain the business offered.

IIAF

With reference to our Progress Report No. 3 dated July 31, 1971 we occasionally investigated the question of two 205-A helicopters to be bought by IIAF for rescue operations, however, due to lack of budgetary provisions, IIAF has decided not to purchase these helicopters during the current Iranian calendar year ending with March 20, 1972.

BELL EXECUTIVES VISIT TO IRAN

Mr. J. F. Atkin's visit to Iran for the first time was warmly greeted by us. He was accompanied by Messrs. Sylvester and Horsley. During their stay in Teheran, all of the required appointments were arranged by us with the high ranking civil and military authorities. The details and extent of the progress scored in this connection need not be mentioned in these reports.

VISIT OF TONY BEARDEN - CAMERAMAN

ENV 37002242

During the stay of Mr. T. Bearden in Teheran, we afforded him all of the facilities for shooting movie films and photographs.

A special request was made to Her Imperial Highness Princess Fatim to fly a helicopter which was arranged by us. Permission was also obtained to use a Red Lion & Sun Society helicopter to have a film of an injured man showing a car hitting a pedestrian in one of the suburbs of Teheran. Arrangements were also made to have at hand ambulance, nurses and first aid for this accident. Further details would have been given by Mr. Bearden directly.

Mr. Bearden was given a loan of \$500.00 on Bell's account during his trip to Iran.

:- 3 :-

F. M. Sylvester, Bell Helicopter, USA

IRANIAN HELICOPTER FACTORY

There is no sign of any activity in the IHI factory except routine paper work and so forth.

GENERAL HOWZE'S SPEECH

Copies of General Howze's speech before the Command & Staff College were submitted to Lt. Col. Starkey and Lt. Col. Doiron in Teheran and Lt. Col. Butler in Esfahan.

AIR TAXI OFFICE FACILITIES

Air Taxi has the privilege to provide all of the facilities e.g. office equipment and supplies, services including transportation, telex etc., at the disposal of Bell Management personnel during their stays and visits to Iran.

GENERAL TOUFANIAN & MR. DEHESH

The forthcoming visit of General Toufanian and Mr. Dehesh which was the subject of discussions before has not yet materialized. As per our tlx No. 195/71, it was communicated to you that both the General and Mr. Dehesh are presently scheduled to visit Fort Worth around end January. We will inform you by telex their definite schedule in time.

C-130

The scheduled program for a C-130 aircraft to airlift and transport your model "X" helicopter for a demonstration here has been postponed until General Toufanian's visit to Fort Worth.

POTENTIAL CUSTOMERS

Your publications: **CENV 37002243**

- a) Police Helicopter Patrol for Memphis;
- b) Helicopter Techniques for aerial application;
- c) Rotorways

are being received regularly and we are sending them to the following potential customers:

- a) Ministry of Natural Resources;
- b) Fire Brigade;
- c) National Iranian Oil Company;
- d) National Iranian Gas Company;
- e) Ministry of Agriculture;
- f) Police Organization;
- g) Red Lion & Sun Society;
- h) All the Three Armed Forces.

:- 4 :-

MR. F. M. Sylvester, Bell Helicopter, USA

Starting with the new year, please send us additional copies of your Rotorways for distribution to all the relevant quarters. Also please send us your calendars and other advertising materials for distribution to the above customers.

IMPERIAL FLIGHT HANGAR

Col. Shafatpour was enquiring about a "Fire Proof Fuel Tank" for model 212 Helicopter. Simultaneously, MIO also enquired about Bell's recommendation for a crash proof fuel systems of AB-205 and AB-212 Helicopters.

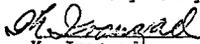
We received your telex dated the 29th of December in reply to these enquiries and immediately passed the information to both MIO and Imperial Flight Hangar.

MR. C.P.B. HORSLEY

We are highly impressed with the keen interest with which Mr. Horsley has always pursued his business objectives and goals. We have seen him working tirelessly in the pursuit of his official functions no matter it involves working very late while on trips.

We are sure that the efforts and achievements of Mr. Horsley are fully recognized by Bell and this note is only for the purpose of Air Taxi bringing on record their frank opinion about one of the Bell Management personnel.

Yours very truly,


K. Iranza
Commercial Manager

Encl:

cc: Mr. C.P.B. Horsley, Brussels

KI/mas

g ENV 3700224

INVOICE
ELECTRIC CORPORATION
 INTERNATIONAL OPERATIONS
 HARLEM AND AVONDALE • CHICAGO, ILLINOIS U.S.A. 60631

Special Attention Army Penetration, 1968 To be advised Ocean Freight Factory, Crystal Lake, Illinois U.S.A.	Date 10 May 71 Invoice No. X ^{FF} -5152 Customer Order No. To be advised Terms Confirmed, Irrevocable Letter of Credit Marks To be advised Page 1 of 2.
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QUAN.	MODEL OR PART NO.	ITEM	PRICE	
			PER UNIT	TOTAL
1	ANT-5B	TEST STAND, PORTABLE, ALCOHOL HYDRAULIC SYSTEM, ELECTRIC MOTOR 1/2 HP, 3-PHASE Fluid Delivery: 10 GPM at 3000 psi 5 GPM or less at pressures from 2000 to 5000 psi. Fluid Spacs: NPL-N-5500 or NPL-N-6000 (also available for use with other hydraulic fluids) Detailed technical Specifications per attached Data Sheet.	11,000.	
1	ANT-6F-1	TEST STAND, PORTABLE, ALCOHOL HYDRAULIC SYSTEM, ELECTRIC MOTOR 1/2 HP, 3-PHASE 20 HP Electric Motor for operation at 480V., 50 Hz., 3-phase. Fluid Delivery: 6.4 gpm at pressure of 3000 psi. 4.2 gpm or less at pressures from 2000 to 5000 psi. Fluid Spacs: NPL-N-5500 or NPL-N-6000 (also available for use with other fluids) Detailed technical Specifications per attached data sheet.	18,000.	
		TOTAL NET FOB FACTORY, CRYSTAL LAKE, ILLINOIS, COMMERCIAL INVOICE.	29,000.	
		Packed Export Shipping.	200.00	
		TOTAL NET FOB FACTORY, CRYSTAL LAKE, ILLINOIS, BONDED FOR EXPORT COMM. INVOICE.	31,000.	

- Continued on Page 2-
GENV 37002245

AIR TAXI CO.

Mehrabad Airport

TEHRAN

40257
Tel. 668992
661967

Telex 2575

Cable TEHRAN AIR TAXI

Date December 29, 1971

No. S/14/1568

Yr. Ref.



INTERNATIONAL MARKETING DEPT.	
JAN 10 1972	
Ref. No. 029	
Assigned: Europe	
Action: 1/10/72	
Info Copies: 1	
Vice President: ✓	
Manager:	
Market Support:	
Administration:	
Washington Office:	
Manager Sales:	
File: TRN 2-2	

شرکت هوایی ایرانی ارتاکسی

فرودگاه مهرآباد - تهران

۴۰۲۵۷ }
۶۶۸۹۹۲ } تلفن
۶۶۱۹۶۷ }
تکسی ۲۵۷۵

تلفرانی: تهران ارتاکسی

تاریخ

شماره

Mr. F. M. Sylvester,
Vice President,
International Marketing,
Bell Helicopter Company,
P. O. Box 482,
Fort Worth, Texas 76101,
U. S. A.

Subject: Progress Report

Dear Mr. Sylvester:

Following is the progress report covering last quarter of 1971:

IIN - PO/BL-6154 Ground Support Equipment

With reference to J.E. Gallagher's letter dated April 12, 1971 and enclosed proforma invoices, the IIN rejected your quotations and refused to buy the required GSU thru Air Taxi/Bell owing to the fact that the first item of your proposal, namely Sun Electric Hydraulic Test Units Qty (2) amounting to \$30,400/- (not mentioning whether FOB or C&F) was about 50% higher than the quotation received from Sun Electric Inc., for the same units as per the enclosed photocopy of their proforma invoice which we were able to obtain thru some confidential means. Consequently, IIN people thought that all other items quoted by you are similarly over-priced. We were quite surprised to see this over-price in your quotation especially in the face of your advance knowledge about the severe competition existing in this market.

AOG Parts for IIN

G E N V 37002235

We regret to inform you that the AOG parts required for IIN as requested in our telex Ref. 71/71, dated Sept. 26, 1971 to be shipped against Air Taxi's account was never attended to. As a reminder, we telexed Bell Ref. No. 127/71, dated November 4, 1971 and were advised in reply, your telex MSG 106 dated November 5, 1971 that our telex Ref. 71/71 was not on record although your Answer Back at the end of the telex message Ref. 71/71 shows full acknowledgement of this telex to Bell. Therefore, on November 6, 1971, we enclosed a copy of our

.../...

:- 2 :-

Mr. F. M. Sylvester, Bell Helicopter, USA

telex Ref. 71/71 with our airmail letter No. S/13/1476/BL7101 but unfortunately we have never had a reply from you about the fate of this order.

QUOTATION FOR IHI

In our letter S/13/1521, dated the 1st of December, 1971, we requested you to send us a quotation for the parts requested by IHI, however, in his letter dated December 16, 1971, Mr. Gallagher Jr., informed us that item Nos: 72, 73, 78, 92, 136, 137, 140, 150 and 155 were viewed by you during your visit to Iran and that the quotation desired by IHI was for purposes of comparison only. It is our view that even if the quotation was for comparison purposes, Bell must submit his quotation in such a way that it is possible for us to obtain the business offered.

I I A F

With reference to our Progress Report No. 3 dated July 31, 1971 we occasionally investigated the question of two 205-A helicopters to be bought by IIAF for rescue operations, however, due to lack of budgetary provisions, IIAF has decided not to purchase these helicopters during the current Iranian calendar year ending with March 20, 1972.

BELL EXECUTIVES VISIT TO IRAN

Mr. J. F. Atkin's visit to Iran for the first time was warmly greeted by us. He was accompanied by Messrs. Sylvester and Horsley. During their stay in Teheran, all of the required appointments were arranged by us with the high ranking civil and military authorities. The details and extent of the progress scored in this connection need not be mentioned in these reports.

G E N V 37002236

VISIT OF TONY BEARDEN - CAMERAMAN

During the stay of Mr. T. Bearden in Teheran, we afforded him all of the facilities for shooting movie films and photographs.

A special request was made to Her Imperial Highness Princess Fatim to fly a helicopter which was arranged by us. Permission was also obtained to use a Red Lion & Sun Society helicopter to have a film of an injured man showing a car hitting a pedestrian in one of the suburbs of Teheran. Arrangements were also made to have at hand ambulance, nurses and first aid for this accident. Further details would have been given by Mr. Bearden directly.

Mr. Bearden was given a loan of \$500.00 on Bell's account during his trip to Iran.

:- 3 :-

Mr. F. M. Sylvester, Bell Helicopter, USA

IRANIAN HELICOPTER FACTORY

There is no sign of any activity in the IHI factory except routine paper work and so forth.

GENERAL HOWZE'S SPEECH

Copies of General Howze's speech before the Command & Staff College were submitted to Lt. Col. Starkey and Lt. Col. Doiron in Teheran and Lt. Col. Butler in Esfahan.

AIR TAXI OFFICE FACILITIES

Air Taxi has the privilege to provide all of the facilities e.g. office equipment and supplies, services including transportation, telex etc., at the disposal of Bell Management personnel during their stays and visits to Iran.

GENERAL TOUFANIAN & MR. DEHESH

The forthcoming visit of General Toufanian and Mr. Dehesh which was the subject of discussions before has not yet materialized. As per our tlx No. 195/71, it was communicated to you that both the General and Mr. Dehesh are presently scheduled to visit Fort Worth around end January. We will inform you by telex their definite schedule in time.

C-130

The scheduled program for a C-130 aircraft to airlift and transport your model "X" helicopter for a demonstration here has been postponed until General Toufanian's visit to Fort Worth.

POTENTIAL CUSTOMERS

Your publications:

GENV 37002237

- a) Police Helicopter Patrol for Memphis;
- b) Helicopter Techniques for aerial application;
- c) Rotorways

are being received regularly and we are sending them to the following potential customers:

- a) Ministry of Natural Resources;
- b) Fire Brigade;
- c) National Iranian Oil Company;
- d) National Iranian Gas Company;
- e) Ministry of Agriculture;
- f) Police Organization;
- g) Red Lion & Sun Society;
- h) All the Three Armed Forces.

.../...

:- 4 :-

Mr. F. M. Sylvester, Bell Helicopter, USA

Starting with the new year, please send us additional copies of your Rotorways for distribution to all the relevant quarters. Also please send us your calendars and other advertising materials for distribution to the above customers.

IMPERIAL FLIGHT HANGAR

Col. Shafatpour was enquiring about a "Fire Proof Fuel Tank" for model 212 Helicopter. Simultaneously, MIO also enquired about Bell's recommendation for a crash proof fuel systems of AB-205 and AB-212 Helicopters.

We received your telex dated the 29th of December in reply to these enquiries and immediately passed the information to both MIO and Imperial Flight Hangar.

MR. C.P.B. HORSLEY

We are highly impressed with the keen interest with which Mr. Horsley has always pursued his business objectives and goals. We have seen him working tirelessly in the pursuit of his official functions no matter it involves working very late while on trips.

We are sure that the efforts and achievements of Mr. Horsley are fully recognized by Bell and this note is only for the purpose of Air Taxi bringing on record their frank opinion about one of the Bell Management personnel.

Yours very truly,


K. Iranzaq
Commercial Manager

Encl:

cc: Mr. C.P.B. Horsley, Brussels

KI/mas

GENY 37002238

INVOICE
INTERNATIONAL OPERATIONS



FE-3

HARLEM AND AVONDALE • CHICAGO, ILLINOIS U.S.A. 60631

Sold to	Imperial Iranian Army Tehran, Iran	Date	10 May 71
Ship to	To be advised	Invoice No. X^{FF}	-5152
Via	Ocean Freight	Customer Order No.	To be advised
F.O.B.	Factory, Crystal Lake, Illinois U.S.A.	Terms of Credit	Confirmed, Irrevocable Letter of Credit
		Marks	To be advised
			- Page 1 of 2.

QUAN.	MODEL OR PART NO.	ITEM	PRICE	
			PER UNIT	TOTAL
1	AHT-5B	TEST STAND, COMPLETE, ALUMINUM HYDRAULIC SYSTEM, ELECTRIC MOTOR 20 HP, 3-PHASE, 460V, 50 Hz. Fluid Delivery: 10 gpm at 3000 psi 4.2 gpm or less at pressures from 3000 to 5000 psi. Fluid Specs: MIL-H-5606 or MIL-H-6800 (also available for use with other hydraulic fluids) Detailed technical specifications per attached Data Sheet.	11,000.00	
1	AHT-67-1	TEST STAND, COMPLETE, ALUMINUM HYDRAULIC SYSTEM, ELECTRIC MOTOR 20 HP, 3-PHASE, 460V, 50 Hz. Fluid Delivery: 8.5 gpm at pressure of 3000 psi. 4.2 gpm or less at pressures from 2000 to 5000 psi. Fluid Specs: MIL-H-5606 or MIL-H-6800 (also available for use with other fluids) Detailed technical specifications per attached Data Sheet.	10,000.00	
		TOTAL NET FPG FACTORY, CRYSTAL LAKE, ILLINOIS, COMMERCIAL INVOICE.	21,000.00	
		Freight Export Charge.	100.00	21,100.00
		TOTAL NET FPG FACTORY, CRYSTAL LAKE, ILLINOIS, PACKED FOR EXPORT.		\$ 21,200.00

- continue on EN V 37002239

2575 A TAXI TN

BEL HELICOPTER CO FTW TEXAS TLX 756229
JAN 18/72
REF 31/72

INTERNAL MARKETING DEPT.	
JAN 18 1972	
Ref. No.	
Assigned	<i>Empire</i>
Action	<i>VAR</i>
Info Copies to:	
Vice President	
Manager	
Marketing	
Admin. Serv.	
Washington Office	
Director	<input checked="" type="checkbox"/>
File	<i>IRN 2-2</i>

VAR
1972 JAN 18 AM 8:04
TFX-W/U

ATTN DON POWELL/MILLER
AA REFERENCE YOUR TELEX 207 -

1. CHECKING UNIDENTIFIED PN WITH IIN BASE. WILL TELEX RESULT.
2. PLEASE TELEX DELIVERY TIME REMAINING ITEMS.
3. WITHOLD SHIPMENT UNTIL SATISFACTORY METHOD PAYMENT IS ARRANGED WITH IIN AND UNIDENTIFIED PN IS IDENTIFIED.

BB PLEASE DEBIT OUR ACCOUNT AND AIRFREIGHT FOLLOWING AOG PARTS TO AIRTAXI FOR IIN - OUR PO BL7154.

- 1) QTY FIVE VALVE PN 204-076-055-1.
- 1EEE 2) QTY FIVE RING RETAINER PN MS 7773-04.
- 3) QTY FOUR BUSHING PN 204-010-422-3.
- 4) QTY TEN PACKING PN NAS 617-20.
- 5) QTY FIVE PACKING PREFORMED PN MS 2961-220

2575 A TAXI TN

Spars - Powell received

BELL HCPTR FTW

2575 A TAXI TN **37002233**

1/18/72
 123
 LIDONEN CO FTS TEXAS TX 79125
 12/31/72

INTERNATIONAL MARKETING DEPT	
JAN 18 1972	
Ref. No.	.....
Assigned	.....
Action:	.....
Info Copies to:	.....
Vice President	.....
Manager	.....
Market Development	.....
Administration	.....
Washington Office	.....
Manager Sales	.....
File	.....

ATTN: DON POWELL/MILLEN
 AN REPLYING YOUR TELEX 207

1. CHECKING UNIDENTIFIED PN WITH IIN BASE. WILL TELEY RESULT.
2. PLEASE TELEY DELIVERY TIME REMAINING ITEMS.
3. WITHOLD SHIPMENT UNTIL SATISFACTORY WITHOD PAYMENT IS ARRANGED WITH IIN AND UNIDENTIFIED PN IS IDENTIFIED.

BB PLEASE DEBIT OUR ACCOUNT AND AIRFREIGHT FOLLOWING ACC PARTS TO AIRTAXI FOR IIN - OUR PO 017154.

- 1) QTY FIVE VALVE PN 204-070-055-1.
- 1EEE 2) QTY FIVE RING RETAINER PN MS23773-04.
- 3) QTY FOUR BUSHING PN 204-010-412-3.
- 4) QTY TEN PACKING PN NAS 017-20.
- 5) QTY FIVE PACKING PREFORMED PN MS 2501-220

2575 A TAXI TN

BELL HOPTR FTW

2575 A TAXI TN

GENV 37002234

RCAMW 25 1311 058709
BELL LOG FTW
95125757
2575 A TAXI TN
RCAMW2454 1311

m Gallager

*OK
Iran
AIR TAXI*

758323 PD BELL HELICOPTER CO FT WORTH TEXAS MSG 43G 1/25/72
AIR TAXI (1446)
TEHRAN IRAN

FURTHER OUR MSG 327 JAN 19. REUR ORDER BL 7154 PLEASE
TELEX ADVISE DESIRES AND METHOD PAYMENT.

DON POWELL/LOGISTIC CENTER
BELLCRAFT

2575 A TAXI TN

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INTERNATIONAL MARKETING DEPT.	
JAN 25 1972	
Ref. No.	
Assigned:	<i>Shrop</i>
Action:	<i>Gallager</i>
Info Copies to:	
Vice President	
Manager	<input checked="" type="checkbox"/>
Market Support	
Administration	
Washington Office	
Manager Sales	<input checked="" type="checkbox"/>
File	<input checked="" type="checkbox"/>

C ENV 37002228

1135

BELL HELICOPTER CO FT WORTH TEXAS MSG 327 1/19/72

TAXI (1446)

TEHRAN IRAN

REUR MSG 31/72 JAN 18 APPROX 55 PERCENT YOUR ORDER (AA REFERENCE) AVAILABLE. STATUS BACK-ORDER ITEM(S) AS FOLLOWS:

206-061-085-1	TUBE	TEN EA	SCHEDULED MAY
206-061-525-1	TUBE	FIVE EA	SCHEDULED FEB
206-061-522-1	TUBE	TWO EACH	SCHEDULED JUNE
AN218-6J	GLEEVE	94 EA	SCHEDULED JUNE
AN218-3J	GLEEVE	77 EA	SCHEDULED JUNE
MS20819-6J	NUT	83 EA	SCHEDULED APRIL
MS20819-3J	NUT	111 EA	SCHEDULED JUNE

WILL ATTEMPT IMPROVE SCHEDULE ABOVE UPON YOUR ADVISE QUANTITY REQD ACTUAL AOG (BB) REFERENCE YOUR P O BL 7134 ORDER VALUE 2702.50 (PLUS 2 PERCENT PACK) FOB FORT WORTH. FURTHER ACTION WITHHELD PENDING YOUR ADVISE DESIRES AND METHOD PAYMENT (REF OUR MSG 207 JAN 12)

DON POWELL/LOGISTIC CENTER
BELLCRAFT

*Mattie Weeks
(Keston)
IRANIAN Hel. SVC.
MCS is y. need*

*called Betty Oermann
no check needed
as of 1-25-72*

GENV 37002229

2575 A TAXI TX

DFDFDFDFDF

BELL HCPTR FTW

2575 A TAXI TH

BELL HELICOPTER CO FTW TEXAS TLX 753229

JAN 18/72

REF 31/72

ATTN. DOV POWELL/MILLER

AA REFERENCE YOUR TELEX NO. 7 -

1. CHECKING UNIDENTIFIED PN WITH IIN BASE. WILL TELEX RESULT.
2. PLEASE TELEX DELIVERY TIME REMAINING ITEMS.
3. WITHOLD SHIPMENT UNTIL SATISFACTORY METHOD PAYMENT IS ARRANGED WITH IIN AND UNIDENTIFIED PN IS IDENTIFIED.

BB PLEASE DEBIT OUR ACCOUNT AND AIRFREIGHT FOLLOWING AOG PARTS TO AIRTAXI FOR IIN - OUR PO 31715A.

- 1) QTY FIVE VALVE PN 204-076-055-1. ~~UNIDENTIFIED~~
- 1 EEE 2) QTY FIVE RING RETAINER PN MS20773-04.
- 3) QTY FOUR BUSHING PN 204-010-422-3.
- 4) QTY TEN PACKING PN WAS 617-20.
- 5) QTY FIVE PACKING PREFORMED PN MS 2961-220

2575 A TAXI TH

'S

BELL HCPTR FTW

ENV 37002230

Teley
 1-19-72
D. Powell

28 January 1972

Our References
F5:JEG:cm:1019

Mr. Khalil Irenzad
Air Taxi Company
Mehrabad Airport
Teheran, Iran

IRN 2-2

Dear Khalil:

Subsequent to General Khosrodad's visit to Bell Helicopter Company, several items have been sent to your attention for the General.

Please open these packages and deliver their contents to the General at your earliest convenience.

Items include one large scale model of the Cobra, one large scale 205 Model and one set of training manuals pertaining to the Jet-Ranger.

The models have been specially prepared by Shipping Department and will come under separate cover from the manuals.

Additionally, further literature will follow and I will inform you when this added information has been dispatched and what it contains.

Thanking you in advance for your cooperation.

Sincerely,

BELL HELICOPTER COMPANY

John E. Gallagher, Jr.
International Sales Representative

INW 37002227

AIR TAXI CO.

Mehrabad Airport

TEHRAN

40257

Tel. 668992

661967

Telex 2575

Cable TEHRAN AIR TAXI

Date Jan. 31, 1972

No. 5/13/1623

Yr. Ref.

INTERNATIONAL MARKETING DEPT.
 FEB 9 1972
 Tel. No. 119
 File: TRN 222



شرکت هواپیمائی ایرتاکسی

فرودگاه مهرآباد - تهران

۴۰۲۵۷

۶۶۸۹۹۲ تلفن

۶۶۱۹۶۷

۲۵۷۵ تلکس

تلگرافی: تهران ایرتاکسی

تاریخ

شماره

Bell Helicopter Company,
 P.O. Box 482,
 Fort Worth,
 TEXAS, 76101
 U.S.A.

Attention John E. Gallagher-Asst. Area Manager International
 Marketing

Dear Sirs,

Re: Bell Model 205A & 205A-1

We require three additional copies of Pages 6-169 through 6-259/
 260 which were omitted from Chapter VI of the 205A/1 Maintenance
 and Overhaul Manual, and would appreciate your sending same to
 us at your earliest convenience.

Yours faithfully,
 AIR TAXI COMPANY,

K. Iranzad
 K. Iranzad,
 Commercial Manager.

*Commie
 Please Mail
 K...*

*Mailed
 2-10-72
 cf/jig*

mgm

GENV 37002226

30-977

A - 220

IRN
2-2

17 February 1972

Our Reference:
F4:JEG:cmt:1040

Mr. Khalil Iranzad
Air Taxi Company
Mehrabad Airport
Teheran, Iran

Dear Khalil:

The attached information may come in handy in negotiations with various authorities in Iran.

The brochure and letter, I think, are self-explanatory and provide sufficient description and details concerning the product.

Best personal regards,

BELL HELICOPTER COMPANY

John E. Gallagher, Jr.
International Sales Representative

Enclosure

ENV 37002225

TELETYPE UNIT

0512575* 15051

13/03 23.11

2575 A TAYI TX

7.0022 TELEX PD FORT WORTH TEXAS 12/15/72 2159 CST
MSG 125

AIR-TAXI COMPANY

TEHRAN IRAN

ATT N IRANZAD

IRN 2-2
IRN 2-3

OUR REF NO 880

SUSY'S VISIT WENT WELL. FOLLOWING NEXT SIX WEEKS WILL
DETERMINE OUTCOME. PLEASE DO NOT TAKE ACTION BUT DO
KEEP EAR TO GROUND AND PROVIDE INFO YOU MAY RECEIVE.

I REPEAT DO NOT MAKE ANY EFFORT TO ASCERTAIN SITUATION.

LET THEM COME TO YOU. REGARDS.

GALLAGHER

BELLCRAFT

END TU RC

UNV 37002224

2575 A TAYI TX.....

GMT 1020"VI H USA DFDDDE
BELL HCPTR FTW

2575 A TAXI TN
BELLCRAFT FORT WORTH TEXAS
MARCH 14/72
DEF 107/72

INTERNATIONAL MARKETING DEPT.	
MAR 14 1972	
Ref. No.	
Assignment	
Action	NAR
Info Copies To	
Vice President	
Manager	
Director	
Administration	
Washington Office	
Manager Sales	
File	IRN 2-2/5

he
MAR 14 1972
10:11 AM
107-108

ATTN GALLAGHER

REFERENCE YOUR TELEX NO 880, I AM PLEASED TO HEAR THAT SUSY'S VISIT WENT WELL. MY BOSS LEFT TEHERAN YESTERDAY FOR THE STATES. HE WILL DEFINITELY CALL YOU ON LONG DISTANCE TELEPHONE OR POSSIBLY VISIT YOU DURING FIRST WEEK OF APRIL. WE WILL FOLLOW YOUR RECOMMEN- DATION ALSO PROVIDE YOU INFO AS WE MAY RECEIVE. BEST REGARDS
IRANZAD

2575 A TAXI TN

BELL HCPTR FTW

2575 A TAXI TN

C EN V 37002225

AIR TAXI CO.

Mehrabad Airport

TEHRAN

40257
Tel. 668992
661967

Telex 2575

Cable TEHRAN AIR TAXI

Date 23.3.72

No. 5/14/1741

Yr. Ref. CPBH/mh 1149



شرکت هواپیمائی ارتاکسی

فرودگاه مهرآباد - تهران

۴۰۲۵۷ }
۶۶۸۹۹۲ } تلفن
۶۶۱۹۶۷ }

تلکسی ۲۵۷۵

تلگرافی: تهران ارتاکسی

تاریخ

شماره

2.

Former U.S. Ambassador in Teheran

Mr. D. Mac Arthur II, the former U.S. Ambassador in Teheran now retired from his diplomatic career, has taken an advisory post in one of the helicopter manufacturing companies located in Belgium. The news does not reveal the name of the company but we presume that it must be either Hughes or Sikorsky who have both got their European offices in Belgium the same as Bell. Mr. Mac-Amber, who is a young American diplomat, will replace Mr. MacArthur in Teheran.

Imperial Iranian Navy

The Agreement between Air Taxi and the IIN for the supply of ACG parts has not yet been signed neither for Lycoming engines nor for Bell spare parts. We presume that with the beginning of the New Year (March 21, 1972) on allocation of the new budget, this Agreement will be signed.

Ministry of Natural Resources

As a result of our regular contacts and despatch of Bell publications to this Ministry, it appears that they would allocate a budget to purchase a number of small and large helicopters for forest fire-fighting. We are now following the matter with the hope of coming to a positive conclusion.

Imperial Flight Hangar

Col. Shafatpour is still enquiring about "Fireproof Fuel Tanks" for AB205 and AB212 helicopters. Your telex dated December 29, 1971, was not convincing because you offered fire resistant fuel tanks which are mounted on military helicopters. If available, please offer them fireproof fuel tanks to meet their requirements.

Yours faithfully,
AIR TAXI COMPANY, **ENV 37002221**

K. Iranzad
K. Iranzad,
Commercial Manager.

cc. C. Hovaleq.

KI/mgm

A. 370

AIR TAXI CO.

Mehrabad Airport

TEHRAN

40257

Tel. 668992

661967

Telex 2575

Cable TEHRAN AIR TAXI

Date March 23 '72.No. S/14/1741Yr. Ref. CPBH/mh 1159

شرکت هواپیمائی ارتاکسی

فرودگاه مهرآباد - تهران

۲۰۲۵۷

تلفن ۶۶۸۹۹۲

۶۶۱۹۶۷

تلکس ۲۵۷۵

تلگرافی: تهران ارتاکسی

تاریخ

شماره

INTERN:	VIETNAM:
APR 3 1972	369
Ref. No.	
Acct. No.	
Action:	
Info. Copies:	
Vice President:	
Manager:	
Market Studies:	
Administration:	
Washington Office:	
Memoranda:	
File:	
APR 2 1972 ACTIVITY REPORTS	

Mr. F.M. Sylvester,
 Vice President - International Marketing,
 Bell Helicopter Company,
 P.O. Box 482,
 Fort Worth, TEXAS 76101,
 U.S.A.

Dear Mr. Sylvester,

Progress Report
 January, February, March '72.

Visit of General Toufanian's Team

We are very pleased to hear that the visit of this team went well. Upon their arrival in Teheran Mr. Dehesh contacted us and advised us that their visit was quite satisfactory and that their "Big News" will be known after about two weeks. We are now anxiously awaiting to hear from them.

Visit of Mr. A.H. Zanganeh to Fort Worth

Mr. Zanganeh left Teheran about mid-March for the United States - he has on his itinerary a visit to Fort Worth to see your facilities there and also find out the details of the meeting of General Toufanian with Bell's Officials.

Iran Helicopter Industries

There is a small activity going on in the IHI for the support of the Iranian helicopter fleet.

According to His Imperial Majesty's instructions, the IHI have been assigned to stock the helicopter spare part requirements of all the Armed Forces. In other words, the spare part budget/s of all the Forces have been transferred to the IHI who will place the spare part orders required by the Armed Forces directly with all the manufacturers adding 5% for their handling charges. The idea is to have an income for the general administration budget of the IHI.

ENV 37002222

.../-



**BELL
HELICOPTER COMPANY**

POST OFFICE BOX 482 • FORT WORTH, TEXAS 76101

A **Textron** COMPANY

IRN 2-2

June 16, 1972
F1:FMS:pb-135

Air Taxi Company
Mehrabad Airport
Tehran, Iran

*C/R
AIR TAXI
(IRAN)*

Attention: Mr. A. H. Zanganeh

Gentlemen:

Enclosed is an amendment to our Manufacturer's Foreign Representative Agreement dated June 15, 1970, the terms and conditions of which, in our opinion, reflect agreement reached on this subject during our recent meetings in your office.

If this meets with your approval, would you please execute and return two copies. Upon receipt of these two copies, it is our intention to execute and return an original copy to you.

Sincerely,

BELL HELICOPTER COMPANY • •

Frank M. Sylvester
Vice President
International Marketing

GENV 37002217



MANUFACTURER'S FOREIGN REPRESENTATIVE AGREEMENT
AMENDMENT NO. 1

This Amendment Number 1 to the Manufacturer's Foreign Representative Agreement made between Bell Helicopter Company, Division of Textron, Inc. (hereinafter called Bell), and Air Taxi Company of Mehrabad Airport, Tehran, Iran (hereinafter called the Representative), is made for the purposes of further defining the rights and obligations of the parties under the Manufacturer's Foreign Representative Agreement made between Bell and the Representative on the 15th day of June 1970. This Amendment recognizes the contributions made by the Representative in concluding the consummation of the major programs as set forth below.

WITNESSETH:

It is agreed between Bell and the Representative that this Amendment Number 1 shall be considered the governing agreement specifying the obligations and rights of the parties concerning the sale by Bell of the Bell products and services listed below to the Imperial Iranian Government and concluded by delivery of such Bell products. The program anticipated consists of:

100	Model 206A/OH-58A
50	Model 205A/UH-1
200	Model 209/AH-1J
200	Model 214

Related spare parts, accessories, equipment,
tooling, services, training, or data

GENV 37002218



Page No. 2

- A. Bell will pay to the Representative a commission of 2.5% of the value of any contract executed between Bell and the Imperial Iranian Government for the delivery of the Listed Products.
- B. Subject to the approval of the U.S. Government, Bell will pay to the Representative a commission of 2.5% of the value of any contract Bell receives from the U.S. Government for the purchase and delivery of helicopters resulting from a contract between the U.S. Government and the Imperial Iranian Government.
- C. In the event that the Imperial Iranian Government elects to procure products, other than helicopters, through the U.S. Government, Bell shall incur no obligation to pay any commissions to the Representative.
- D. Commissions shall become payable to the Representative upon delivery of the Listed Products and receipt by Bell of payment thereof. In the event Bell obtains advance payments from the Imperial Iranian Government for the Listed Products contracted for between Bell and the Imperial Iranian Government, Bell shall pay to the Representative as advance commissions, 2.5% of those advance payments received. Upon receipt of final

GENV 37002219



Page No. 3

payments from the Imperial Iranian Government, Bell shall liquidate the advance commissions paid to the Representative at the time of payment of the final commission.

E. This Amendment shall become effective on the date hereof and shall continue until terminated in accordance with Item 6, Term and Termination, of the basic Manufacturer's Foreign Representative Agreement, dated 15 June 1970.

F. All provisions of the basic Manufacturer's Representative Agreement, dated 15 June 1970, not specifically amended herein, remain unchanged.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed as of the day and year set forth below:

By _____

(Title) _____

Witness _____

Date: _____

GENV 37002220

AIR TAXI CO.

Mehrabad Airport

TEHRAN

40257
Tel. 668992
661967

Telex 2575

Cable TEHRAN AIR TAXI

Date June 27, 1972.

No. _____

Yr. Ref. _____



شرکت هواپیمائی ارتاکسی

فرودگاه مهرآباد - تهران

۴۰۲۵۷ }
۶۶۸۹۹۲ } تلفن
۶۶۱۹۶۷ }

تکسی ۲۵۷۵

تلفاتی: تهران ارتاکسی

تاریخ _____

شماره _____

Mr. Frank Sylvester,
Vice President - International Marketing,
Bell Helicopter Company,
P.O. Box 482,
Fort Worth, Texas 76101,
U.S.A.

Dear Frank,

Now that I am back in Teheran I wish to pen a few words of sincere appreciation at the wonderful hospitality you have shown to me during my rather busy trip to your country. It is always comforting to enjoy such moments during these troubled times.

You know, ofcourse, if there is anything you would like from Iran, you just have to let me know, and I shall do my very best to send it to you.

With many thanks, once again, and best wishes,

Yours very sincerely
M. Haidi

INTERNATIONAL MARKETING DEPARTMENT	
JUL 6 1972	
Ref. No.	
Assigne:	<i>Sylvester</i>
Action:	
Info Copies to:	
Vice President	
Market Development	
Administration	
Area Manager	
Regional Manager	
Washington Office	
File	<i>IRN 221</i>

GENV 37002216

A - 229

AIR TAXI CO.

Mehrabad Airport

TEHRAN

40257
Tel. 668992
661967

Telex 2575

Cable **TEHRAN AIR TAXI**

Date July 13, 1972.

No. 5/13/1163

Yr. Ref. _____



شرکت هواپیمائی ارتاکسی

فرودگاه، مهرآباد - تهران

۴۰۲۵۷
تلفن: ۶۶۸۹۹۲
۶۶۱۹۶۷

تلکس ۲۵۷۵

تلگرافی: تهران ارتاکسی

تاریخ
شماره

INTERNATIONAL MARKETING DEPARTMENT	
JUL 19 1972	
Ref. No.	716
Assigned to	[Signature]
Action	[Signature]
Info. Contact for	
Vice President	
Market Development	
Administration	
Area Manager	
Regional Manager	
Washington Office	
File	IR/11-3-1163

Mr. F. Sylvester,
Vice President - International Marketing,
Bell Helicopter Company,
P.O. Box 482,
Fort Worth, TEXAS 76101,
U.S.A.

Dear Mr. Sylvester,

I must apologize for the delay in answering your letter of June 16, 1972, which was due to my absence from the country.

After careful consideration and consultation, some changes have been made, which I hope will meet with your approval.

I hope you appreciate that Bell Company's commitment to me is based on many years of diligent effort by myself and members of my staff, as documented by regular correspondence between us. This effort, I am sure you will agree, is partially responsible for your success with the Imperial Government of Iran be it direct or Government to Government.

In view of the above, I cannot agree to make my rights subject to the arbitrary decision of the U.S. Government.

As the initial Letter of Intent was signed on April 18, 1972, may I suggest that Amendment No. 1 dated April 1, 1972, be back-dated so that any misunderstanding or complications may be avoided.

Please find enclosed the revised Amendment No. 1 which I have signed accordingly. I look forward to receiving the counter signed amendment and also seeing you in Teheran soon.

Best personal regards,

GENV 37002211

mgn

Yours sincerely,
AIR TAXI COMPANY,

[Signature]
Managing Director.



**MANUFACTURER'S FOREIGN REPRESENTATIVE AGREEMENT
AMENDMENT NO. 1**

This Amendment Number 1 to the Manufacturer's Foreign Representative Agreement made between Bell Helicopter Company, Division of Textron, Inc. (hereinafter called Bell), and Air Taxi Company of Mehrabad Airport, Tehran, Iran (hereinafter called the Representative), is made for the purposes of further defining the rights and obligations of the parties under the Manufacturer's Foreign Representative Agreement made between Bell and the Representative on the 15th day of June 1970. This Amendment recognizes the contributions made by the Representative in concluding the consummation of the major programs as set forth below.

WITNESSETH:

It is agreed between Bell and the Representative that this Amendment Number 1 shall be considered the governing agreement specifying the obligations and rights of the parties concerning the sale by Bell of the Bell products and services listed below to the Imperial Iranian Government and concluded by delivery of such Bell products. The program anticipated consists of:

100	Model 206A/OH-58A	
50	Model 205A/UH-1	
200	Model 209/HEAVY	GEN V 37002212
200	Model 214	

Related spare parts, accessories, equipment, tooling, services, training, or data

A handwritten signature in black ink, appearing to be 'L. S. ...', with a horizontal line underneath.



Page No. 2

- A. Bell will pay to the Representative a commission of 2.5% of the value of any contract executed between Bell and the Imperial Iranian Government for the delivery of the Listed Products. *of any or all*
- B1. Subject to the approval of the U.S. Government, Bell will pay to the Representative a commission of 2.5% of the value of any contract Bell receives from the U.S. Government for the purchase and delivery of helicopters resulting from a contract between the U.S. Government and the Imperial Iranian Government. ~~_____~~
- B2. *→ See Over.* ~~_____~~
- C. In the event that the Imperial Iranian Government elects to procure products, other than helicopters, through the U.S. Government, Bell shall incur no obligation to pay any commissions to the Representative.
- D. Commissions shall become payable to the Representative upon delivery of the Listed Products and receipt by Bell of payment thereof. In the event Bell obtains advance payments from the Imperial Iranian Government for the Listed Products contracted for between Bell and the Imperial Iranian Government, Bell shall pay to the Representative as advance commissions, 2.5% of those advance payments received. Upon receipt of final

37002213

B2. In the event that the U.S. Government refused to approve the representative's commission, Bell agrees to pay a commission/consultant fee of 1% (one percent) to Air Taxi Co. or Mr. A. H. Zanganeh, Chairman and managing Director of Air Taxi Co. (major shareholder), in recognition of his long standing efforts and contributions.

contracted for between Bell and the United States Government.

GENV 37002214



Page No. 3

payments from the Imperial Iranian Government, Bell shall liquidate the advance commissions paid to the Representative at the time of payment of the final commission.

E. This Amendment shall become effective on the date hereof and shall continue until terminated in accordance with Item 6, Term and Termination, of the basic Manufacturer's Foreign Representative Agreement, dated 15 June 1970.

F. All provisions of the basic Manufacturer's Representative Agreement, dated 15 June 1970, not specifically amended herein, remain unchanged.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed as of the day and year set forth below:

	_____
By <u>A. H. Zanganeh</u>	_____
(Title) <u>Managing Director</u>	(Title) _____
Witness <u>Abdolrahman Ghaemmaghami</u>	Witness _____
Date: _____	Date: _____

GENV 37002215

AIR TAXI CO

Mehrabad Airport

TEHRAN

40257
Tel. 668992
661967

Telex 2575

Cable **TEHRAN AIR TAXI**

Date July 23, 1972.

No. S/13/1187

Yr. Ref. _____

INTERNATIONAL MARKETING DEPARTMENT	
AUG 1 1972 ①	
Ref. No.	<u>13</u>
Origin	<u>Iran</u>
To: Contact to:	<u>Mr. J. Gallagher</u>
U.S. President	
Public Development	
Administration	
Area Manager	
Regional Manager	
Washington Office	
File	<u>IRI 8-2</u>



شرکت هواپیمائی ارتاکسی

فرودگاه مهرآباد - تهران

۴۰۲۵۷
تلفن ۶۶۸۹۹۲
۶۶۱۹۶۷

تکس ۲۵۷۵

تلگرافی: تهران ارتاکسی

تاریخ _____
شماره _____

Mr. J. Gallagher, Regional Marketing Mngr.,
Bell Helicopter Co.,
Teheran.

Dear Sir,

Re: Arrival of IIAF C-130s to Fort Worth's Carswell Air Force Base for the purpose of transportation of the Bell Model AH1J and 214A Helicopters to Iran.

With reference to your memorandum dated July 19, 1972, we are pleased to inform you that as a result of our direct approach to the IIAF' authorities, arrangements have now been made to ensure that two C-130 aircraft be available at Carswell Air Force Base on July 27 or even earlier.

As you are aware both General Toufanian and Mr. Dehesh are presently on a two-week trip abroad. In their absence and without their coordination, the rescheduling of the arrival of the two C-130 transport aircraft in Fort Worth seemed impossible. However, realizing the importance of your original schedule we did our best and, fortunately, succeeded to obtain the IIAF's confirmation in this regard.

Please find enclosed photocopy of the IIAF' telex addressed to Col. Rabii, N.Y.C., in the Persian language the translation of which is attached thereto.

Assuring you of our best cooperation at all times, we remain,

Yours faithfully,
AIR TAXI COMPANY,

A.H. Zaagan
A.H. Zaagan,
Managing Director.

CENV 37002293

cc. Mr. F. Sylvester.
mgm

WHAT DO YOU WANT .?????????????

PLS GIVE ME 422200 U S A
KMP
OK
VIA WIEN 1155 GMT DDFD.

LT.CCL. RABII
1-5-139 CCPT TOVHIDI KE MAMOUR BALTIMOR
AST BE FORT WORTH. TEX CRASELL A.F.B
AZAM.VA HELICOPTER.BIAVARAD.
2-AGAR GHAEL AZ 23.JULY HAVAPEYMA
DAR KARHANEH HAZER BOUD BE FORT
WORTH EZAM.SHAVAD DCU FARVAND HAVAPEY
MA DAR FORT WORTH LAZEM AST

CCL ASHARI
FCR GHAFFARI

NNNN++++

GENV 37002200

Translation of Telex

Lt. Col. Rabii

1. Capt. Tovhidi, Chief Pilot of C-130 a/c, S/N 5-139, who was destined to Baltimore, is now enroute to Fort Worth, Texas, Carswell A.F.B., to pick-up helicopter.
2. Should an aircraft (C-130) be available in the factory (Lockheed) before July 28, please have it depart to Fort Worth. Two aircraft are required in Fort Worth.

Col. Ashari
for Col. Ghafari

GENV 37002210

AIR TAXI CO.

Mehrabad Airport

TEHRAN

40257

Tel. 668992

661967

Telex 2575

Cable TEHRAN AIR TAXI

Date July 22, 1972.

No. S/13/1129

Yr. Ref. _____



شرکت هوایی ایرانی ارتاکسی.

فرودگاه مهرآباد - تهران

۴۰۲۵۷

تلفن ۶۶۸۹۹۲

۶۶۱۹۶۷

تکس ۲۵۷۵

تلفگرافی: تهران ارتاکسی

تاریخ _____

شماره _____

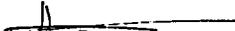
Mr. J. Gallagher,
Regional Marketing Manager,
Bell Helicopter Co.,
Teheran.

Dear Sir,

Re: Visit of Iran's Finance Minister to the United States

In reply to your Memorandum dated July 19, 1972, incidently the Minister of Finance was in my office today. His exact itinerary has not yet been definitely set up, and since the Bell' Management is expected in Teheran soon, may we suggest that the meeting be arranged here by us, at the Minister's convenience, upon arrival of the Bell team?

Yours truly,
AIR TAXI COMPANY,


A.M. Zangansh,
Managing Director.

GENV 37002207

cc: Mr. F. Sylvester.

KI/mgm

INTERNATIONAL MARKETING DEPARTMENT	
AUG 1 1972	
Ref. No.	<i>Iran</i>
By	<i>Gallagher</i>
Checked by	
Approved by	
Special Manager	
Working copy	<input checked="" type="checkbox"/>
File	<i>IRN 2-20</i>

In reply refer to:
 File: 64-2557

11 August 1972

ENV 2-2

Air Taxi Company
 4420 D. Airport
 Texarkana, Ark.

Dear Sirs:

Regarding Engineer Toufanian's request for quote relative to initial inventory for the factory as forwarded by AII letter reference 88/1461-01-3095 dated the 17th of July, forwarded herewith is a priced listing of the same parts.

Please note that there is no reference to Bell Helicopter Company on the printed form, therefore, we assume you will submit the quotation under the name of Air Taxi. Also, please note that the prices are F.O.B. Fort Worth and do not include the normal two percent charge for export packing. Accordingly, you must add in your totals the two percent charge and also explain that the shipping charges would be as incurred. We have taken this route in order to make the quotation as attractive as possible, and I believe you will find, as will Engineer Toufanian, that the prices and schedule will be most attractive. You may wish to point out that estimating freight and insurance charges on a quotation of this magnitude would be impractical and that is the reason it has been excluded.

Attached you will find a memo which summarizes as well as provides specifics pertaining to delivery schedule applicable to this quotation.

Respectfully,

BELL HELICOPTER COMPANY

Dee E. Mitchell, Manager
 International Marketing
 Administration

Enclosures

ENV 37002205

2575 A TAXI TN

BELL HELICOPTER CO FTW 758229

AUG 22/72

REF 323/72

HEREWITH RPT OUR MSG

ATTN MITCHELL

INTERNATIONAL MARKETING DEPARTMENT	
AUG 23 1972	
Ref. No.	
Assigned:	<i>Adams</i>
Action:	<i>Mitchell</i>
Info Copies to:	
Vice President	
Market Development	<input checked="" type="checkbox"/>
Administration	<input checked="" type="checkbox"/>
Area Manager	
Regional Manager	<input checked="" type="checkbox"/>
Washington Office	
File	<i>221 2-2</i>

REQUIRE FOLLOWING ITEMS SHIPPED IMMEDIATELY TO AIR TAXI ON AOG
BASIS CUSTOMER IS IMPERIAL FLIGHT HANGAR.

- A) REVISED PARTS CAT AND MAINTENANCE/OPERATOR MANUALS FOR 212 (TWO EACH).
- B) ONE 209-062-519-1 BOOT FOR OIL COOLER BLOWER.
- C) ONE 212-061-201-6 EJECTOR. RH (COMPLETE WITH GASKET).
- D) ONE 212-061-209-2 HIGH TEMP INSULATION.
- E) ONE 212-060-204-2 DUCT RH.
- F) ONE 212-061-521-74 COVER ASSY.
- G) ONE 212-061-521-63 GASKET.
- H) ONE 212-060-204-29 SEAL.
- I) ONE 212-061-903-127 GASKET.
- J) ONE 212-061-202-6 EXHAUST DUCT.
- K) PLEASE NOTIFY AWBS AND ETS OF ITEMS ASAP

REGARDS GALLAGHER

GENV 37002202

PSE TREAT THIS TELEX AS VERY URGENT THANKS

23 August 1972 9:30 AM ph

TELEX NO: 2300 INTRCON TN
TELEX TO: INTERCONTINENTAL HOTEL
TEHRAN IRAN

ATTN: ERNEST SILVESTER

REFERENCE YOUR 323. MSG RECEIVED GARBLED AND CONTAINED ITEMS A
THRU F ONLY. ANTICIPATE CLARIFICATION MOMENTARILY, HOWEVER, ITEMS
B THRU F PLUS SIX SETS STRAP FITTINGS AND PINS SHIPPED PM 22ND
AWB 001-067-78343 ROUTING DALLAS NY, NY TEHRAN VIA PAN AM. WOULD
EXPECT SHIPMENT TO ARRIVE TEHRAN 24TH. ITEM A SCHEDULED TO BE
AIR MAILED TODAY EXCEPT THAT IF ADDITIONAL ITEMS IDENTIFIED, MAY
CONSOLIDATE AND SHIP AIR FREIGHT.

REGARDS
MITCHELL
BELL CRAFT

CENV37002204

AIR TAXI
MEHRABAD
40257
Tel. : 668992
661967

ارتا
مهرآباد
۴۰۲۵۷
تلفن : ۶۶۸۹۹۲
۶۶۱۹۶۷

2-2

Page - 2 -

to the I.H.I. Tehran, Iran.

I enclose a sample of
business-card that we have
made for you. I hope you'll
like it?

I eagerly hope and look
forward to seeing you soon
in Tehran. The BIG program
is at its final stage. Let's
keep our fingers crossed!

Please give ^{my} best regards
to your family.

Yours sincerely
Shahid

A - 230

ENV 37002194

icipu-
icopters,
ld with
with

substan-

gard to

IRN 2-2

23 October 1972
FJCS:At:5401

MEMO TO: F. H. Sylvester
 COPY TO: D. E. Mitchell
 SUBJECT: COMMISSION SUBSTITUTION FOR AIR TAXI

In a review of the existing files on Iran and Air Taxi participation with regard to the sale of 202 AH-1J's and 207 214A helicopters, we find weaknesses in the area of what exactly Air Taxi did with regard to discussions, visits, i. e., first-hand efforts with DRAMA, ILAW, ILAV and U. S. NAVY.

The majority of the data compiled from our files merely substantiates, or rather is a feedback from DRAMA's effort.

Therefore, we need for Kahlil to augment our files in regard to the weak points stated above.

J. E. Gallagher

IRN 37002195



Inter-Office Memo

16 October 1972
02:CRR:dj-115

Memo to: Mr. F. Sylvester

Subject: Amendment Number 2 to Air Taxi Representative Agreement

Enclosure: Executed Copy of Subject Agreement

Enclosed is an executed copy of Amendment Number 2 to subject Agreement. In addition to this executed copy, two (2) copies were given to Mr. Zanganeh and one (1) copy to Mr. Zand. I have the original and one (1) additional copy in my files.

The supporting file on the Dealer Agreement will be most important to this transaction. As I understand it, Dee Mitchell has the responsibility to assemble this file. If we can help in any way, please let us know.

C. R. Rudning
C. R. Rudning
Vice President
Program Management

INTERNATIONAL MARKETING DEPARTMENT		(2)
OCT 16 1972		
Ref. No.	956	
Assigned:	Jran	
Action:	CRR	
Info Copies to:		
Vice President	<input checked="" type="checkbox"/>	
Market Development	<input type="checkbox"/>	
Administration	<input checked="" type="checkbox"/>	
Area Manager	<input type="checkbox"/>	
Regional Manager	<input type="checkbox"/>	
Washington Office	<input type="checkbox"/>	
File	JRN:2	

CENY37002196



MANUFACTURER'S FOREIGN REPRESENTATIVE AGREEMENT
AMENDMENT NO. 2

This Amendment Number 2 to the Manufacturer's Foreign Representative Agreement made between Bell Helicopter Company, Division of Textron, Inc. (hereinafter called Bell), and Air Taxi Company of Mehrabad Airport, Tehran, Iran. (hereinafter called the Representative), is made for the purposes of further defining the rights and obligations of the parties under the Manufacturer's Foreign Representative Agreement made between Bell and the Representative on the 15th day of June 1970, and superseding and replacing Amendment No. 1 to the said agreement which was effective as of April 1, 1972. This Amendment recognizes the contributions made by the Representative in concluding the consummation of the major programs as set forth below.

WITNESSETH:

It is agreed between Bell and the Representative that this Amendment Number 2 shall supersede and replace Amendment No. 1 referred to above, and shall be considered the governing agreement specifying the obligations and rights of the parties concerning the sale by Bell or the U. S. Government of the Bell products and services listed below to the Imperial Iranian Government and concluded by delivery of such Bell products or performance of services, but shall not include the sales price of any Bell product manufactured in Iran,

GENV37002197



- 2 -

or any services in connection with any contract for the maintenance or overhaul of any Bell product in Iran. The products and services covered by this Amendment (Listed Products and Services) consist of Bell Helicopters:

Model 206A/OH-58A
 Model 205A/UH-1
 Model 209/AH-1J
 Model 214

and related spare parts, accessories,
 equipment, tooling, services, training
 or data

- A. As provided in Paragraph D hereof, Bell will pay to the Representative a commission of 2.5% of the price of any Listed Product or Service sold to the Imperial Iranian Government by Bell under any contract executed between Bell and the Imperial Iranian Government for the sale of any Listed Product or Service.
- B. As provided in Paragraph D hereof, Bell will pay to the Representative a commission of 1% of the price of any Listed Product or Service sold by Bell under any contract Bell receives from the U. S. Government after the date of this agreement and which identifies the said Product or Service

CENV 37002198



- 3 -

as being ordered for the Imperial Iranian Government and resulting from a contract between the U. S. Government and the Imperial Iranian Government.

- C. In no event shall any commission be paid by Bell with respect to any listed Product or Service sold by the U. S. Government to the Imperial Iranian Government from U. S. Government inventory or from deliveries required from Bell under U. S. Government contracts and not identified as being ordered for the Imperial Iranian Government.
- D. The applicable commission under either Paragraph A or Paragraph B shall become payable quarterly to the Representative upon delivery of the Listed Product or Service, and receipt by Bell of payment therefor. In the event Bell obtains progress or advance payments from either the U. S. Government or from the Imperial Iranian Government for the Listed Product or Service contracted for, Bell shall pay quarterly to the Representative as advance commission, 1% or 2.5%, as the case may be, of these

GENV 37002199



- 4 -

progress or advance payments received.

Upon receipt of final payment from the U. S. Government or the Imperial Iranian Government, as the case may be, the unpaid balance of the commission owing to the Representative shall be paid.

- E. This Amendment shall become effective on April 1, 1972, and shall continue until terminated in accordance with Item 6, Term and Termination. of the basic Manufacturer's Foreign Representative Agreement, dated 15 June 1970.
- F. All provisions of the basic Manufacturer's Representative Agreement, dated 15 June 1970, not specifically amended herein, remain unchanged, provided however that the said basic agreement shall not apply to any Bell product manufactured in Iran or any services in connection with any contract for the overhaul or maintenance of any Bell product in Iran, provided further that the commission, if any, with respect to any such product or service shall be negotiated separately.

GENV 37002200



- 5 -

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed as of the day and year set forth below:

BELL HELICOPTER COMPANY
Division of Textron, Inc.

By *C. R. Rudning*
C. R. Rudning

(Title) Vice President,
Program Management

By *A. H. Zanganeh*
A. H. Zanganeh

(Title) Chairman & Managing
Director

Witness *Deanna Jones*

Witness *[Signature]*

Date *11 October 1972*

Date *[Signature]*

GENV 37002201



**BELL
HELICOPTER COMPANY**

POST OFFICE BOX 482 • FORT WORTH, TEXAS 76101

A **Textron** COMPANY

October 26, 1972

Our Reference:
F4:JEG:cmt:1211

IRU 2-2

Mr. Esfandiar Saeed
Managing Director
Paragon Consulting Engineers
6, Karim Khan Zand Avenue
Tehran, Iran

Dear Mr. Saeed:

Thank you for your inquiry with respect to our Model 206B JetRanger and your interest in Bell Helicopter Company.

Enclosed for your immediate perusal you will find data concerning this helicopter as well as our price lists.

I would like to take this opportunity to introduce you to our representative in Iran, Air Taxi Company (address below).

By separate letter, I have informed Mr. Khalil Iranzad of your inquiry and request that he provide you any assistance necessary.

Should you have any further queries concerning Bell Helicopter Company or its product line, please do not hesitate to contact our representative or the undersigned.

Sincerely,

BELL HELICOPTER COMPANY

John E. Gallagher, Jr.
Regional Manager - Iran

Enclosure

cc: Mr. Khalil Iranzad
Managing Director
AIR TAXI COMPANY
Mehrabad Airport
Teheran, Iran

ENV 37002191



INTERCONTINENTAL PUBLICATIONS, INC.



Transport management
in Latin America



Transport management
in Asia, Africa, Middle
East and Caribbean



National development
in Latin America



National development
in Asia, Africa, Middle
East and Caribbean

1010 Washington Blvd.
P.O. Box 1256,
Stamford, Conn.,
USA 06904

October 16, 1972

Bell Helicopter Corporation
P. O. Box 482
Fort Worth, Texas 76101

INQUIRIES HAVE BEEN RECEIVED FOR YOUR PRODUCT: Ad - Jet Ranger II

WHICH APPEARED IN THE June-July 1972 ISSUE, PAGE 20 KEY NO. 15

Esfandiar Saeed
Managing Director
Paragon Consulting Engineers
6, Karim Khan Zand Ave
Tehran, Iran

INTERNATIONAL MARKETING DEPARTMENT	
OCT 23 1972	
Ref. No.	_____
Assigned	_____
Action:	_____
Info Copies to:	
Vice President	_____
Market Development	_____
Administration	_____
Area Manager	_____
Regional Manager	_____
Washington Office	_____
File	_____

CEN 37002192

October 26, 1972

Our Reference:
 F4:JEG:amt:1210

IRN 2-2

Mr. Khalil Iranzad
 Managing Director
 AIR TAXI COMPANY
 Mehrabad Airport
 Tehran, Iran

Dear Khalil:

Attached you will find an inquiry from Mr. Esfandiar Saeed,
 Managing Director of Paragon Consulting Engineers.

Mr. Saeed is interested in our Bell Model 205B. Please con-
 tact him and offer any assistance you can.

New Subject

I think you will recall that when I left Iran last time, I
 gave you a corrected film entitled "Develop the Land", which
 contains a sequence of Princess Fatima flying her JetRanger.
 Have you delivered the film yet? If not, please do so as we
 understand from Mr. Zanganeh that the princess is wondering
 where it is.

I hope that all is going well and that the program is pro-
 gressing properly at your end. To this end, would appreciate
 the continuance of activity reports specifically discussing
 your direct and individual actions taken with the appropriate
 U. S. and Iranian government personnel.

In review of our files, the majority of the data represents
 Air Taxi's confirmation, feedback and support of Bell's efforts
 and we therefore need to beef up this file with activity reports.
 that detail individual efforts of Air Taxi as pointed out above.

Looking forward to hearing from you soon.

Best personal regards,
 BELL HELICOPTER COMPANY

John E. Gallagher, Jr.
 Regional Manager - Iran

attachment

ENV 37002100

IRN 2-2

November 1, 1972

Our Reference:
F4:JEG:cmt:1215

Mr. Khalil Iranzad
Managing Director
AIR TAXI COMPANY
Mehrabad Airport
Teheran, Iran

Dear Khalil:

We have received the second copy of IHI's RFQ Number 93/1401-01-A114 dated 6-8-72 and will process it immediately.

Evidently, the first copy sent on August 9, 1972 was never received.

With regard to your question on commission, please be advised that this order will be priced consistent with the previous spare parts order and therefore commissions are consistent with the recently negotiated amendment to the representative agreement.

All else is flowing smoothly here and hope to hear some good words soon. Please give my best regards to your family and Mr. Zanganeh.

Best personal regards,
BELL HELICOPTER COMPANY

John E. Gallagher, Jr.
Regional Manager - Iran

P. S. Thank you for the card.

GENV 37002189

IRN 2-2

November 15, 1972

Our Reference:
 F4:JEG:amt:1220

Mr. Khalil Iranzad
 Sales Manager
 AIR TAXI COMPANY
 Mehrabad Airport
 Teheran, Iran

Dear Khalil:

Attached you will find a letter written to Mr. C. Behin which is self-explanatory.

Khalil, I am still a bit confused about Iran's regulations concerning helicopter ownership for private industries and corporate uses; and therefore, would appreciate a brief explanation.

Please note that I have indicated a validity period concerning the prices of the 206 and 205 in my letter to Mr. Behin. This is due to the anticipated price increase of these aircraft. We do not expect the price to increase beyond \$135,000 for the 206 and \$450,000 for the 205.

Further, we cannot accept orders for these aircraft at the old price after the first of the year.

If you should obtain an order we must have a signed purchase agreement and 15% down payment prior to January 1973.

I sincerely hope all is well with you and your family and please extend my personal regards to all.

Best wishes,

BELL HELICOPTER COMPANY

John E. Gallagher, Jr.
 Regional Manager - Iran

attachment

CENY 37002188

INTER-OFFICE MEMORANDUM

November 22, 1972
 F1:FMS:pb-248

IRH 2-2

TO: J. F. Atkins
COPY: C. R. Rudning, D. E. Mitchell, J. E. Gallagher
SUBJECT: VISIT - A. H. ZANGANEH

Zanganeh called this morning. He had the impression that a date had been made for him to visit Fort Worth on November 28th. This date conflicts with another commitment in Teheran, and he asked if the first week in January would be equally suitable for a Fort Worth visit.

I replied in the affirmative, and he agreed to advise us of his revised travel plans later this week.

Frank M. Sylvester

NEW SUBJECT:

Jack Buyers also called this morning to relay telephone conversation with Chuck Rudning late yesterday.

Ed Bahniuk has advised Rudning that the Atefi/Toufaniah visit will be delayed approximately 4 days - the schedule to be finalized early next week.

Bahniuk also informed that they wish to include in their U.S. itinerary a visit to Dynallectron.

GEN 37002187 FS

BELL HCPTR FTW

2575 A TAXI TN
 BELL HELICOPTER CO. FTW
 NOV 25/72
 REF 475/72

ATTN MR F SYLVESTER.

INTERNATIONAL MARKETING DEPARTMENT	
NOV 27 1972	
Ref. No.	
Account	1111
File No.	
Initials	
Approved	
Reviewed	
Regional Manager	
Washington Office	
File	

FOLLOWING MY LONG DISTANCE CALL AND LATER ON MR ATKIN'S CONFIRMATION, MY PRESENCE IN FTW IS UNNECESSARY AT THIS TIME. THEREFORE, I SHALL BE IN FORT WORTH FIRST DAYS OF JANUARY.

FOR YOU INFORMATION -

AA GEN MINBASHIAN, WITH WHOM GEN HOWZE AND YOUR STAFF HAD SERIES OF MEETINGS, HAS BEEN REPLACED BY GEN OVEISI, FORMER C IN C OF GENDARMARIE.

BB ENG TOUFANIAN OF IHI, ACCOMPANIED BY GEN ATEFI, CHIEF OF HELICOPTER LOGISTIC SUPPORT ORGN OF THE IRANIAN ARMED FORCES, LEFT TEHRAN YESTERDAY FOR USA. THEIR ITINERARY INCLUDES A VISIT TO BHC FTW.

BEST REGARDS. ZANGANEH.

GENV 37002186

2575 A TAXI TN

AIR TAXI CO.

Mehrabad Airport

TEHRAN

40257
Tel. 668992
661967

Telex 2575

Cable TEHRAN AIR TAXI

Date Dec. 10, 1972.

No. _____

Yr. Ref. F4:JEG:cmt:1210

Mr. J.E. Gallagher Jr.,
Regional Manager - Iran,
Bell Helicopter Co.,
P.O. Box 482,
Fort Worth, Texas 76101,
U.S.A.



INTERNATIONAL MARKETING DEPARTMENT	
DEC 21 1972 (2)	
Ref. No.	0034
Assigned	Frank
Action	Frank
Info Center	5
Visa	
Market	
Admin	
Area	
Region	
Washington	
File	IRN 2

شرکت هواپیمائی اراتاکسی

فردگام، مهرآباد - تهران

۴۰۲۵۷ }
۶۶۸۹۹۲ } تلفن
۶۶۱۹۶۷ }

تلکس ۲۵۷۵

تلگرافی: تهران اراتاکسی

تاریخ _____

شماره _____

Dear Mr. Gallagher,

Re: Paragon Consulting Engineers' enquiry for one 206B Helicopter.

I received your letter of October 26, 1972, together with the respective enclosures. Attached is a copy of our reply which is self-explanatory.

Reference your new subject. I delivered your corrected film entitled 'Develop the Land' to Mr. Zanganeh who handed it to General Khatami.

At this end all is going well. Mr. Zanganeh is planning to leave for Europe and the United States day after tomorrow and he is scheduled to be in Fort Worth on or about January 2, 1973. Please take good care of him. Mr. Zanganeh will be carrying with him Air Taxi's file regarding our efforts for Bell during the past years. While going through this file you will appreciate the valuable cooperation devoted and contributed by us which resulted in the recent large order.

I take this opportunity to extend my most sincere and warm Seasons Greetings and wish you and your family a Happy and Prosperous New Year.

Yours sincerely,
AIR TAXI COMPANY,

K. Iranzadeh
K. Iranzadeh,
Commercial Manager.

GENV 37002180

mgm

A - 229

AIR TAXI CO.

Mehrabad Airport

TEHRAN

40257
Tel. 668992
661957

Telex 2575

Cable TEHRAN AIR TAXI

Date Dec. 10, 1972.

No.

Yr. Ref.



شرکت هواپیمائی ارتاکسی

فرودگاه مهرآباد - تهران

۴۰۲۵۷
تلفن ۶۶۸۹۹۲
۶۶۱۹۶۷تکس ۲۵۷۵
تلفرانی: تهران ارتاکسی

تاریخ

شماره

Mr. Esfandiar Saeed,
Managing Director,
Paragon Consulting Engineers,
6, Karim Khan Zand Avenue,
Teheran.

Dear Sir,

Re: Your enquiry Bell Helicopter Model 206B

We do not appear to have received any reaction from your goodselves to our letter of November 9, 1972, regarding the above. For the sake of good order we enclose photocopy of same together with brochure and await your favourable reply.

Yours truly,
AIR TAXI CO.

M. Iranza
K. Iranza
Commercial Manager.

mgn

GENV 37002181

AIR TAXI CO.
 International Airport
 TEHRAN
 4-257
 Tel 668992
 661967
 Telex 2575
 TEHRAN AIR TAXI
 Nov. 9, 1972.
 No. 13/1359
 Y. Ref.



شرکت هوایی ایرانی ارتاکسی

فرودگاه مهرآباد - تهران

۴۰۲۵۷

۶۶۸۹۹۲ تلفن

۶۶۱۹۶۷

تکس ۲۵۷۵

تلفرانی: تهران ارتاکسی

تاریخ

شماره

Mr. Esfandiar Saeed,
 Managing Director,
 Paragon Consulting Engineers,
 6, Karim Khan Zard Avenue,
 Teheran.

Dear Sir,

Re: Bell Helicopter Model 206B

Your enquiry has been referred to us for follow-up.

We appreciate your interest in Bell Helicopter Co. and would be more than pleased to assist you, in any way possible, for the procurement of one Bell Helicopter Model 206B in which you are interested. We would suggest that you visit us at your convenience or, if you prefer, one of our representatives will visit you and furnish all detailed information together with prices etc. for the above mentioned helicopter. In the meantime, we are enclosing Bell Helicopter's brochure describing various models of their helicopters.

For your further information we maintain modern facilities for the maintenance and after-sales support of Bell Helicopters in Iran.

Looking forward to your early and favourable reply we remain,

Yours truly,
 AIR TAXI CO.,

Mehdi Iranzad
 K. Iranzad,
 Commercial Manager.

GENV 37002182

✓ cc: Bell Helicopter Coy, Fort Worth.

AIR TAXI

MEHRABAD
40257
Tel. : 668992
661967

ارتاکسی
مهرآباد
۴۰۲۵۷
تلفن : ۶۶۸۹۹۲
۶۶۱۹۶۷

CONFIRMATION COPY
for Mr. F. Sylvester

Confirmation Copy

sl

INTERNATIONAL MARKETING DEPARTMENT	
DEC 4 1972	
Ref. No.	<i>Sylvester</i>
Assignment	<i>Sylvester</i>
Action:	<i>Sylvester</i>
Intro. Contact:	
Vice President	
Market Development	
Administration	
Area Manager	
Regional Manager	
Washington Office	
File	<i>IRN 202</i>

TELEX IRTN 01 25/11 11.50
FORT WORTH 758229 TEXAS USA PSE

VIA USA 1201
DFDF
BELL HCPTR FTW

2575 A TAXI TN
BELL HELICOPTER CO. FTW
NOV 25/72
REF 475/72

15.36

ATTN MR F SYLVESTER.

FOLLOWING MY LONG DISTANCE CALL AND LATER ON MR ATKIN'S CONFIRMATION, MY PRESENCE IN FTW IS UNNECESSARY AT THIS TIME. THEREFORE, I SHALL BE IN FORT WORTH FIRST DAYS OF JANUARY.

FOR YOU INFORMATION -

AA GEN MIRBASHIAN, WITH WHOM GEN HOWZE AND YOUR STAFF HAD SERIES OF MEETINGS, HAS BEEN REPLACED BY GEN OVEISI, FORMER C IN C OF GENDARMARIE.

BB ENG TOUFANIAN OF IHI, ACCOMPANIED BY GEN ATEFI, CHIEF OF HELICOPTER LOGISTIC SUPPORT ORGN OF THE IRANIAN ARMED FORCES, LEFT TEHRAN YESTERDAY FOR USA. THEIR ITINERARY INCLUDES A VISIT TO BHC FTW.

BEST REGARDS. ZANGANEH.

2575 A TAXI TN
⊕
BELL HCPTR FTW
2575 A TAXI TN

GEN V 37002185

CONFIRMATION COPY
for Mr. F. Sylvester

INTERNATIONAL MARKETING DEPARTMENT	
EEO 41072	
Ref. No.	
Assigned	<i>Sylvester</i>
Action:	<i>Iran</i>
Intro. Contact:	
Vice President	
Market Development	
Administration	
Area Manager	
Regional Manager	
Washington Office	
File	<i>IRN 2-2</i>

TELEX IRTN 01 25/11 11.50
FORT WORTH 758229 TEXAS USA PSE

VIA USA 1201
DFDF
BELL HCPTR FTW

2575 A TAXI TN
BELL HELICOPTER CO. FTW
NOV 25/72
REF 475/72

15.36

ATTN MR F SYLVESTER.

FOLLOWING MY LONG DISTANCE CALL AND LATER ON MR ATKIN'S CONFIRMATION, MY PRESENCE IN FTW IS UNNECESSARY AT THIS TIME. THEREFORE, I SHALL BE IN FORT WORTH FIRST DAYS OF JANUARY.

FOR YOU INFORMATION -

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BB ENG TOUFANIAN OF IHI, ACCOMPANIED BY GEN ATEFI, CHIEF OF HELICOPTER LOGISTIC SUPPORT ORGN OF THE IRANIAN ARMED FORCES, LEFT TEHRAN YESTERDAY FOR USA. THEIR ITINERARY INCLUDES A VISIT TO BHC FTW.

BEST REGARDS. ZANGANEH.

GENV 37002184

2575 A TAXI TN

⊕
BELL HCPTR FTW

2575 A TAXI TN

758229 TELEX PD BELL HELICOPTER CO FTW TEX 1271/72 1244P CST
MSG 4

9512575 AIR TAXI COMPANY
TEHERAN IRAN

ATTENTION: KHALIL IRANZAD

IRN 2-2

OUR REF NO 3014

IHI SPARES TO ARV SUBJECT TO AIRLINE SCHEDULE WED., DECEMBER 8.
MR M W HEARN, BHC QUALITY MAN FOR IHI ARRIVING THR, DECEMBER 4,
IRN NO 72 AT 1940. WILL STAY AT INTERCONTINENTAL HOTEL.
ABOVE INFO TRANSMITTED TO NECESSARY INDIVIDUALS. THIS FOR YOUR
INFO ONLY. TAKE NO ACTION.

REGARDS

GALLAGHER
BELLCRAFT
END TU RC

ABOVE WIRE SHOULD GO VIA ALL ROUTES TELEX NO DER

WU ALLRTS NYK
BELL HCPTR FTW

GENV 37002185

CONCORD AA41014
 01/11/73 0020 EST
 BELL HCPTR FTW

BELL HCPTR FTW

2575 A TAXI TN
 BELL HELICOPTER CO FTW
 JAN 11/73
 REF 21/73

ATTN FRANK SYLVESTER.

AA DURING MY RECENT MEETING WITH MR TROUT HE QUERIED ABOUT ARRIVAL
 OF YOUR TEAM FOR THE NECESSARY NEGOTIATIONS REGARDING LOGISTIC
 SUPPORT AND TRAINING PROGRAM. DEVOTING FULL EFFORT TO ENSURE
 THESE PROGRAMS GO DIRECT. PLEASE TELEX URGENTLY THE TEAM'S
 ARRIVAL.

BB HOLDING SERIOUS NEGOTIATIONS WITH TEMRAN FIRE BRIGADE FOR SALE
 OF UPTO FOUR HELICOPTERS EQUIPPED WITH FIRSEEE FIRE SUPPRESSION
 KITS. PLEASE SEND QUOTATIONS AND ATTRACTIVE BROCHURES, REPORTS
 ETC TO BACK OUR CAMPAIGN VERSUS SEVERE COMPETITION BY FRENCH,
 BRITISH, USA AND JAPANESE???

CC PLEASE CONVEY OUR BEST WISHES TO MRNZANGAHEH. WILL CALL HIM
 AT SCOTT AND WHITE HOSPITAL TODAY. BEST REGARDS, IRANZAD.

REFYOUR TELEX NO 176 PLEASE GIVE US THE BREAKDOWN OF THE PRICES
 OF FOUR ITEMS. PO BL3161 REFERS.

CENV 37002178

2575 A TAXI TN

BELL HCPTR FTW

2575 A TAXI TN

INTERNATIONAL MARKETING DEPARTMENT	
JAN 11 1973	
Ref. No.	
Assigned:	
Action:	
Info Copies to:	
Vice President	
Market Development	
Administration	
Area Manager	
Regional Manager	
Washington Office	
File	ERN 2)

2575 A TAXI TN
BELL HELICOPTER CO. FTW
JAN 13/73
REF 23/73

ATTN FRANK SYLVESTER.
REFERENCE YOUR TELEX 1.12.73 CONCERNING IRANZADS TLX 21/73 (BB).

AA FIRE BRIGATE REQUIREMENT SIMILAR TO OLD KAREN REQUIREMENT
DTD JUNE 9/1971 REF JEG:PB 3180 CURRENTLY IN PROPOSAL FILE.
THE FIRE BRIGADE HAS RECEIVED A PROPOSAL FROM THE FRENCH.
HOWEVER DESIRE PROPOSAL SIMILAR TO BASS PROPOSAL MENTIONED
ABOVE WHICH SHOULD BE ADDRESSED TO - MR MOHAMMAD JANABZADEH,
CHIEF OF TEHRAN FIRE BRIGADE, TEHERAN/ IRAN.
ADDITIONALLY, PRICING DATA AND LOGISTICS SUPPORT DATA REQUIRE
UPDATING. IN INTERIM OF PROPOSAL PREPARATION COULD USE HALF
A DOZEN LBF/FIRE FIGHTING BROCHURES.

*I.E.
LBR
PROPOSAL*

BB SUGGEST FOR PROPOSAL REWRITE NEW COVER LETTER AND UPDATED
PRICING ONLY NECESSARY. TIMING NOT URGENT AT THIS TIME BUT
WOULD BE NICE IF WE COULD HAVE IT WHEN YOU ARRIVE LATER
THIS MONTH.

GENV 37002170

BEST REGARDS. GALLAGHER/IRANZAD.

2575 A TAXI TN

*Order by previous
proposal to be
submitted to
Iranzad*

INTERNATIONAL MARKETING DEPARTMENT	
JAN 15 1973	
Ref. No.	
Account	<i>[initials]</i>
Branch	<i>[initials]</i>
Info	<i>[initials]</i>
View	<input checked="" type="checkbox"/>
In. Serv.	<input checked="" type="checkbox"/>
File	<input checked="" type="checkbox"/>
Work	<input checked="" type="checkbox"/>
File	<i>IRN 20</i>

[initials]
C. [unclear]

BELL HCPTR FTW

RCA 05 0957 UNSTAD

BELLHCPTX FTW

5512575*

2575 A TAXI TN

RCA 10306 0958

#

2575 A TAXI TN

75-8229 TLX PD BELL HELICOPTER CO FTW TEX MSG 105 2-8-73 800 AM

AIR TAXI CO TEHERAN IRAN

ATTN: KHALIL IRANZAD

:: HEREWITH IS A REPEAT OF MSG 78 OF 2-6-73 WHICH U REPORTED
BARBLED ::

OUR REF #3105

MR SYLVESTER REQUESTS THAT IN YOUR CONTACT WITH MR.Z, YOU
REQUEST THAT MR. Z CALL FRANK WHEN HE FEELS HE CAN VISIT FORT
WORTH.

REGARDS

GALLAGHER

BELLCRAFT

END TU LSB

2575 A TAXI TNV

IRN 2

GENV 37002177

26 February 1973

Our References:
F3:JEG:cmt:1277

IRN 2

Mr. Khalil Iranzad
AIR TAXI COMPANY
Mehrabad Airport
Teheran, Iran

Dear Khalil:

I have enclosed some information concerning a ground support vehicle applicable for helicopter usage produced by Aviation Ground Support Corporation.

During a phone conversation with Mr. Bekker, I mentioned your name as a point of contact in Iran and said that I would write to you concerning this matter. The attached letter should provide you with the appropriate details for this particular piece of ground support equipment.

As I don't know whether this is of any interest to you, please feel free to handle this as you see fit.

I hope all is well in Iran and wish you and your family a happy Nauroz Holiday.

Best personal regards,
BELL HELICOPTER COMPANY

John E. Gallagher, Jr.
Regional Manager - Iran

Enclosure

GENV 37002174

AGS AVIATION GROUND SUPPORT CORP.

P.O. BOX 251 • BRIARCLIFF MANOR, N.Y. 10510 PHONE: 914-782-3328
273-3894

INTERNATIONAL MARKETING DEPARTMENT	
FEB 19 1973	
Ref. No.	
Assigned	
Action	
Info Collected	0
Vice President	
Market Director	
Administrative	
Area Manager	
Regional Manager	
Washington Office	
File	

CABLE ADDRESS AVGROSUP

15 February 1973

Mr. Jack Gallagher
Bell Helicopter Co.
P.O. Box 482
Fort Worth
Texas, 76101

Dear Mr. Gallagher:

I was delighted and encouraged by your telephone call this morning, and grateful that Mr. Garrison passed my letter along to you.

I have enclosed a number of things in this envelope, mostly in order to bring you up to date about the HELITRAC™ ground support system and its background.

The enclosure marked (1.) is a copy of our application for a patent. Naturally it does not include the technical details, just the narrative history of the requirement for such a unit and a description of the invention. This is just for your background reading so that you will understand the reason for HELITRAC's existence and be able to relate its versatility and usefulness.

There are also photographs, printed, of it at the HAA convention in Las Vegas with the Bell MODA, and some spec sheets that give the technical details.

You may notice, in the photographs, the the model in the display booth has the power-pac and the Pintel hook raised about three inches higher than the model we used on the ramp. The ramp unit was our first prototype, and in trying to place the generator we lost sight of the fact that we were losing the ground clearance that is one of the more important features of the unit. This was corrected in the second prototype. The Pintel hook is still below the axle line, but we have maintained the front to back clearance.

If the gentlemen from Iran wish to see a model, we have one at our factory in Newark and would be delighted to demonstrate it.

As I told you over the phone, we have no firm commitment with Mr. Bozogmehr of Iran Supply Co. He applied for distributorship at the HAA convention, and since I had a light feeling, and lingering distrust, of Capt. Bolton, I sent him a draft of the distributors agreement. Nothing has been signed, nor has he yet answered the correspondence.

AEN V 37002175

Mr. J. Gallagher, Bell Helicopter 15 Feb 73

2.

When I was in Iran two years ago, where incidentally I got the idea for the HELITRAC, my contact with AIR TAXI was a T. Khorram, Supply Manager.

You did not mention his name, therefore I assume he is no longer with them.

Could you please, in a short note, repeat for me the names and contacts for both the Gendarmerie and the Army. I was in the kitchen when you called and my notes were somewhat scrambled. Mr. Khalil Aranzad was the name you cited for Sales Manager of AIR TAXI, and as I understand it, it is his boss who is coming to talk to you this coming week.

In addition to the names and contacts, I would be grateful for a rundown on the time schedule involved in the presentations to the Gendarmerie and the Army, and a little hint as to your idea of how I should proceed in conjunction with your efforts.

I would be happy if we could move some of these units with both the Gendarmerie and the Army. I suppose Textron wouldn't mind involving both of their divisions in a large contract either.

Your interest and instant response have been very much appreciated.

Sincerely,



Peter O E Boldker
President

P.S. The retail price of the "HELITRAC"TM support unit completely equipped and ready to operate is \$5,500.00 F.O.B. Newark. It includes the 2/O conductor, the AN 2551 connector, the Pintel hooks (one attached and one de-mountable), the lifting hooks, rear running lights, rear working light, headlight, and all meters and switches. It does not include attachments that are available to operate off the front and center power take-offs as detailed in the spec sheet.

I am also inclosing some literature on the Trilectron Battery Analyzer/Charger which we distribute for Trilectron. The advantage it has is its memory. If there is a power outage during a re-cycling period it will pick up at that point when the power comes back on. The retail for that is \$1,350, F.O.B. Newark.

A point I failed to mention in my letter above, is that the regulated 29.2V output allows the tug to recharge the aircraft battery on board. There is no need to remove it to a re-charging unit elsewhere, I think it is a rather important point for remote areas.

G^m ENW ⁽¹⁵³⁾ 37002176

AIR TAXI CO.

Mehrabad Airport

TEHRAN

40257
Tel. 668992
661967

Telex 2575

Cable TEHRAN AIR TAXI

Date June 11, 1973.

No. _____

Yr. Ref. _____



شرکت هواپیمائی ارتاکسی

فرودگاه مهرآباد - تهران

۴۰۲۵۷
تلفن: ۶۶۸۹۹۲
۶۶۱۹۶۷

تکس ۲۵۷۵

تلگراف: تهران ارتاکسی

تاریخ: _____

شماره: _____

Circular Letter

In order that we may receive your cables quicker on our Telex rather than the P.T.T. delivery system, which some times takes 24 to 36 hours, you are kindly requested from now on to mention our Telex Number '2575 A TAXI TEHRAN' on all your cables. Thus the P.T.T. will automatically relay your cables through our Telex.

We thank you in advance, and remain,

Yours truly,
AIR TAXI COMPANY,

K. Irazad
K. Irazad,
Commercial Manager.

INTERNATIONAL MARKETING DEPARTMENT	
JUN 18 1973	
Ref. No.	
Routing	<i>Iran</i>
Message	<i>info - all</i>
Info. Cl. Yes/No	
Vice Pres. /4	
Market Development	
Administration	
Area Manager	
Regional Office	
Special Office	
I.R.N. 2	

349 personal
GENV 37002173

September 4, 1973

Our Reference:
F:REF:cmt:1348

IRN 2

Mr. Khalil Iranzad
Managing Director
AIR TAXI COMPANY
Mehrabad Airport
Teheran, Iran

Dear Khalil:

I would very much like to thank you for the hospitality which you and your organization extended to me during my recent visit to Iran. Your efforts on behalf of myself and Mr. Sylvester were most sincerely appreciated.

I have enclosed a copy of a letter from the Ports & Shipping Organization of Iran which is self explanatory. Please let us know if anything comes of this or if we may be of any assistance in helping to bring this to a successful sale.

I look forward to working closely with you in the future and hope that together we can stimulate a solid commercial helicopter market in Iran.

Sincerely,

BELL HELICOPTER COMPANY

Robert E. Fitzsimmons
Regional Manager

Enclosure

Blind copy to:
FMS GENV 37002167
Mitchell
Maj. Gen. Oden

BELL HCPTR FTW
 9512510" 02132
 1535 EST
 2510 HILTON TN

75-8229 TLX PD BELL HELICOPTER CO FTW TEX MSG 483 8-30-73 330 PM
 HILTON HOTEL 951-2510 OR 2363
 TEHERAN IRAN

ATTN FRANK M SYLVESTER

WE ARE IN RECEIPT OF INQUIRY FROM PORTS AND SHIPPING ORGANIZATION
 OF IRAN REQUESTING INFORMATION ON SMALL SIZE HELICOPTER FOR USE
 AS TRANSPORT OF MECHANICS TO DO REPAIR WORK ON SEA BOUYS, ETC.
 QUERY SIGNED A NISSAN, COMMERCIAL MANAGER, PHONE 665991-5,
 ADDRESS CHAHAR RAH SHAH, KOUCHEN SIMORGH NO 24,
 TEHERAN.

 HAVE NOT RECEIVED COMMENTS RE TANGLEFOOT III.

 AIRCRAFT DEPLOYMENT BOTH 206 AND UH-1 N IN SUPPORT OF BRAZILIAN
 AIR SHOW ON SCHEDULE. 206 CURRENTLY IN PERU. NEXT DEMO BOTH AIRCRAFT
 BOLIVIA 5-6 SEPTEMBER, SCHEDULED TO ARRIVE SAO PAULO 9 SEPTEMBER.

BRAZILIAN NAVY PROPOSAL BEING TRANSLATED BY TITO FOR PRESENTATION
 8-30. ALL CONCERNED ARE OPTIMISTIC. WE HAVE NEW ORDERS FROM
 BRAZIL FOR TWO 205S JANUARY 1974 DELIVERY AND TWO 206S
 FOR OCTOBER AND NOVEMBER 1973 DELIVERY. GEN V 37002168



PORTS & SHIPPING ORGANIZATION
OF IRAN

100
Dr. Akhbari

Date ~~August 13~~, 1973

Ref. No. ~~9/1907~~ / *L701*

Bell Helicopter Co.
P.O. Box 482
Fort Worth, Texas 76101
U.S.A.

Gentlemen:

This Organization is considering the employing of a small helicopter for the purpose of transporting mechanics to do emergency repair work on our various ports.

What we have in mind is a small size helicopter that can land in small areas (approx. 5 Meter square) where mechanics would be transported to do repair work on sea bouys , lanterns and similar instalations . In this respect we would appreciate your sending us catalogues of suitable helicopters for this purpose with relative prices.

Very truly yours,
Ports and Shipping Organization

A. Nissan

A. Nissan

Commercial Manager

AN/LIN

INTERNATIONAL MARKETING DEPARTMENT	
AUG 28 1973	
Del. To:	<i>Mr. N. S. S.</i>
Approved:	<i>Mr. N. S. S.</i>
Info. C.:	<i>Mr. N. S. S.</i>
Ver.:	<i>Mr. N. S. S.</i>
Rec.:	<i>Mr. N. S. S.</i>
File:	<i>Mr. N. S. S.</i>
<i>May. Oden</i>	
<i>IRN 2</i>	

GENV 37002169

Chahar Rah Shah Koucheh Simorgh, No. 24 Tehran Iran Cables: Banader Tehran Tel: 665991 - 5

758229 TELEX PD L HELICOPTER CO FTW TEX 6/74 955A DST
MSG 193

AIR TAXI COMPANY
TEHERAN IRAQ

IPN 2

ATT IRANZAD

OUR REF NO 3489

HAVE RECEIVED REQUEST FOR AVAILABILITY AND PRICE OF 206B
AIRFREIGHTED FROM MR RATCLIFFE OF HELITAXI IN TEHERAN.
EYE HAVE TELEXED HIM AND ASKED HIM TO CONTACT YOU FOR
INFO. FOLLOWING DATA APPLIES FOR THIS QUOTE AND FOR ANY
JETRANGER SHIPPED AFTER 1 JAN 1974.

BASIC PRICE	\$157,500
TEARDOWN AND CRATE	2,240
AIR FREIGHT	18,832

TOTAL	\$178,572
-------	-----------

ADD INSURANCE CHARGE OF POINT ONE FIVE EIGHT FIVE DOLLARS
PER \$100 VALUATION. DELIVERY AVAILABLE IN FIRST QUARTER 75.

BEST REGARDS TO YOU AND MR ZANGANEH.

FITZSIMMONS

BELLCRAFT

GENV 37002164

October 23, 1973

Our Reference:
F4:REF:cmt:1379

Mr. Khalil Iranzad
AIR TAXI COMPANY
Mehrabad Airport
Teheran, Iran

IRN Z

Dear Khalil:

We have received an inquiry about a JetRanger II in response to an ad in MODERN GOVERNMENT Magazine. The name and address of the inquiring firm is indicated below. If I can help you or provide any information in your follow up to this firm, please let me know.

Sincerely,

BELL HELICOPTER COMPANY

Robert E. Fitzsimmons
International Regional Manager

A. Safavi, Director
Raha Company Limited
P. O. Box 2247
Teheran, Iran

GENV 37002165

**NATIONAL DEVELOPMENT/
Modern Government**

serv. Asia, Africa,
The Middle East, Caribbean

1010 Washington Blvd., P.O. Box 1236, Stamford, Conn., 06904 USA

10 0 75 01000

MR DONALD JOHNSON
2711 HELICOPTER CO
BOX 412
WEST WORTH

TX 76101



IMPORTANT: The readers listed below request more information about your message in Modern Government. The first line of each label indicates the particular issue date and item number. To respond to these sales leads, just moisten the mailing label and affix to your mailing piece.

Material requested through National Development/Modern Government
04/01/73 20
DR LALL
PUBLIC HEO HLTH SVC CTR
ASHOK BHAVAN BLDG NO 11
JHANSI INDIA

Material requested through National Development/Modern Government
04/01/73 20
DR LALL
PUBLIC HEO HLTH SVC CTR
ASHOK BHAVAN BLDG NO 11
JHANSI INDIA

Material requested through National Development/Modern Government
04/01/73 20
K T CHENG/RES
FAST WEST ROAD INST
EMC BOX 1890 1777 E W RD
HONOLULU HI 96822

Material requested through National Development/Modern Government
04/01/73 20
K T CHENG/RES
FAST WEST ROAD INST
EMC BOX 1890 1777 E W RD
HONOLULU HI 96822

Material requested through National Development/Modern Government
04/01/73 12
PRIYANU SON RND
KUALA LUMPUR HILTON
KUALA LUMPUR MALAYSIA

Material requested through National Development/Modern Government
04/01/73 12
PRIYANU SON RND
KUALA LUMPUR HILTON
KUALA LUMPUR MALAYSIA

Material requested through National Development/Modern Government
04/01/73 12
PHILIPPINE

Material requested through National Development/Modern Government
04/01/73 12
PHILIPPINE

Material requested through National Development/Modern Government

Material requested through National Development/Modern Government

INTERNATIONAL MARKETING
DEPARTMENT
OCT 16 1973

Mr. Don Johnson
2711 Helicopter Co
Box 412
West Worth
TX 76101

Mr. Don Johnson
2711 Helicopter Co
Box 412
West Worth
TX 76101

Material requested through National Development/Modern Government

ISSUE	PAGE	ITEM	DESCRIPTION	QUANTITIES	CURRENT	TOTAL
04/01/73	00	0000	...			3
04/01/73	00	0000	...			2

ENW 37002166

MSG NO 528

9512575"

AIR TAXI COMPANY

TEHRAN IRAN

ATTN AH ZANGANEH

2575 A TAXI TN 822P EDT 8-30-74

IRN 2

THIS IS TO ADVISE THAT A FORMAL NOTIFICATION OF INCREASE IN SPARE PARTS PRICES WILL BE MAILED DURING THE WEEK ENDING 6 SEPTEMBER 1974. THE PRICE INCREASE BY MODEL APPLICATION IS:

MODEL	PERCENT INCREASE
47	25 PERCENT
204/205/212	15 PERCENT
206	15 PERCENT

THE NEW PRICE WILL BECOME EFFECTIVE 1 OCTOBER 1974. OTHER DETAILS ARE INCLUDED IN THE FORMAL NOTIFICATION.

FRANK M SYLVESTER

VICE PRESIDENT

INTERNATIONAL MARKETING

BELL HELICOPTER CO FORT WORTH TEXAS

END

GENV 37002160

2575 A TAXI TN
 758229 BELL HELICOTER CO FTW TEX MSG NO 224 8-16-74 11:30PM
 9512575 AIR TAXI COMPANY TEHRAN IRAN

ATTN A H ZANGANER

IRN 2

ALL HELICOPTERS ALLOCATED FOR INTERNATIONAL SALE DURING 1974
 HAVE BEEN PLACED ON CONTRACT, AND FIRM ORDERS ARE NOW BEING
 ACCEPTED FOR 1975.

BELL HAS REVIEWED IN DETAIL THE COST EXPERIENCED IN THE PRO-
 DUCION OF 1974 HELICOPTERS. CONCURRENTLY ANALYSED WERE RAW
 MATERIALS, STANDARD PARTS, AND LABOR FOR THE 1975 PRODUCTION
 HELICOPTERS. THE PRICE ESCALATIONS IMPOSED UPON OUR COMPANY,
 SIMILAR TO THOSE THRUST UPON OTHER INDUSTRIES HAVE NECESSITATED
 A CONSEQUENT PRICE INCREASE FOR HELICOPTERS DELIVERED IN THE CALENDAR
 YEAR 1975. ACCORDINGLY, THE FOLLOWING PRICE SCHEDULE,
 WHICH SUPERCEDES THAT DISSEMINATED IN JUNE, SHALL APPLY EFFECTIVE
 JANUARY 1, 1975:

206B		\$ 168,500
205		540,000
212	(THRU JUNE 30, 1975)	715,000
212	(EFFECTIVE JULY 1, 1975)	755,000
214B		1,285,000
206L		265,000

BELL REGRETS THAT THESE PRICES ESCALATIONS ARE NECESSARY;
 HOWEVER, THE WORLDWIDE INFLATIONARY TREND INDICATES THAT EVEN
 MORE SEVERE INCREASES COULD EASILY BE JUSTIFIED. YOUR RECOG-
 NITION OF THESE UNDENIABLE MARKET FORCES VIEWED AGAINST BELL'S
 LONGSTANDING POLICY OF PRODUCING THE HIGHEST QUANTITY PRODUCT
 FOR THE LOWEST POSSIBLE PRICE IS EARNESTLY SOLICITED. YOUR
 SUPPORT IN PROMOTING BELL'S POSITION IN THIS RESPECT IS ESSENTIAL
 TO YOUR CONTINUED SUCCESS AS WELL AS OURS.

FRANK M. SYLVESTER
 VICE PRESIDENT
 INTERNATIONAL MARKETING
BELL HELICOPTER CO.

GENV37002161

July 29, 1974

Mr. A. H. Zanganeh
Managing Director
AIR TAXI COMPANY
Mehrabad Airport
Tehran, Iran

Dear Mr. Zanganeh,

Enclosed please find invitations to visit our display at the Farnborough Air Show and our Hospitality Suite at the Park Towers Hotel.

Would you please see that any or all important persons in your area receives one of our invitations.

Thank you,

BELL HELICOPTER COMPANY

O. K. Moore - Area Manager
Europe/Africa/Middle East

Enclosure

6

GENV 37002162

IRN 2 ✓
FARNBOROUGH

753229 TELEX PD BELL HELICOPTER CO FTW TEX 7/13/74 1000A DST
MSG 192

HELITAXI
TEHERAN IRAN

ATT RATCLIFFE

IRN 2

OUR REF NO 3490
RE UR INQUIRY TO BELL HELICOPTER EUROPEAN OFFICE FOR 206B
INFO, WE HAVE RELAYED THIS DATA TO OUR LOCAL REPRESENTATIVE
IN TEHERAN. PLEASE CONTACT MR IRANZAD AT AIR TAXI COMPANY
LOCATED AT MEHRABAD. THE TELEPHONE IS 40257 OR 68992. IF
YOU REQUIRE ADDITIONAL DATA, PLEASE CONTACT AIR TAXI OR THIS
OFFICE DIRECTLY.

REGARDS
FITZSIMMONS
BELLCRAFT
END TU RC

⊕
2338HELITAXI TN,,,,,
07/18/74 1105EDT 001.8

GENV 37002163

10 December 1974 4:00 PM

TELEX NO: 2757 A TAXI TN
TELEX TO: AIR TAXI COMPANY
TEHRAN IRAN

IRN 2

ATTN: K. IRANZAD

PLEASE DISREGARD MY EARLIER MSG OF THIS DATE. UNFORTUNATELY
AGUSTA HAS EXCLUSIVE SALES RIGHTS FOR THE MODEL 212 IN IRAN.
ACCORDINGLY IMPERATIVE YOU DO NOT REPEAT DO NOT PURSUE. SUGGEST
AS AN ALTERNATE THAT WE CONSIDER 214 AS THE LOGICAL HELICOPTER
FOR YOUR CUSTOMERS' NEED. THERE ARE POSSIBLE ADVANTAGES WHICH
COULD ACCUE TO THE CUSTOMER OPERATING THE 214.

REGARDS,
MITCHELL
BELLCRAFT

GENV 37002157

12:15 PM

10 December 1974

TELEX NO: 2575 A TAXI TN
TELEX TO: AIR TAXI COMPANY
TEHRAN IRAM

IRN 2

ATTN: K. IRANZAD
RE YOUR MSG REF 699/74. UNIT PRICE MODEL 212 IN STANDARD
CONFIGURATION IS \$755,000. SUBJECT TO PRIOR SALE WE CAN DELIVER
ONE UNIT IN SEPT AND ONE UNIT OCT 1975.

REGARDS
MITCHELL
BELLICRAFT

CENV 37002158

TAXI TN- *Mag. 0616*

BELL HCPTR NTW

XAXI TN

BELL HCPTR FTW

BELL HELICOPTER FTW

DEC 10/74

REF 659/74

INTERNATIONAL MARKETING DEPARTMENT

DEC 10 1974

REF. No. _____
 ASSIGNED: _____
 SALES _____
 ADMIN. *W. J. ...*
 MIL. SYST. _____
 INFO COPY TO: _____
 VICE PRESIDENT _____
 SALES _____
 ADMIN. _____
 MGR. & ST. _____
 FRE *TRN 2*

ATTN MR FRANK SYLVESTER/ MR JACK GALLAGHER

PLEASE TELEX FASTEST DELIVERY AND PRICE OF TWO (2) EACH STANDARD MODEL 212 HELICOPTERS (CIVILIAN VERSION) FOR A CIVILIAN CUSTOMER.

SEASON'S GREETINGS, HAPPY AND PROSPEROUS NEW YEAR TO YOU ALL.

K IRANZAD

2575 A TAXI TN

Reply -
Re your msg of 6/9/74
Unit price Model ERB 2
in standard configuration
is \$75,000. Subject to
price table and our delivery
can unit in St. Louis area
Oct 1975. Reply to the lead

GENV 37002159

Fraser

14 September 1975



Last flight of the deceased commander of the Imperial Aviation had no return. A flight which had a heart-rending and deathly conclusion.

GENERAL OF THE ARMY KHATAMI DIES

Imperial Air Force commander, during a flight with an artificial wing, strikes a mountain.

"Iran has lost her high flying eagle of the skies, always bright and full of splendor." With these words news of the tragic passing of Army commander Mohammed Khatami, husband of Her Royal Highness, Princess Fateme Pahlavi, and commander of the Imperial Air Force, spread like a flash across Iran: The last flight of the swift-winged eagle in Iran's clear sky was a flight with no return, a flight win-to-wing with death, a flight of farewell forever.

General of the Army Mohammed Khatami, Commander of the Imperial Air Force, in the forenoon of Friday the twelfth of September (twenty-first of Shahrivar), during a flight with a "Kite" (flying wing), gave up his life in a dreadful accident at Dezful.

General of the Army Mohammed Khatami who came into the world 56 years ago in Rasht, was counted as the most brilliant and outstanding commander of the Imperial Army and one of Iran's most experienced pilots. The late Commander of the Imperial Air Force in the extent of his loyal devotion showed himself to be so worthy that undoubtedly his name will be remembered by all his friends and dear ones and of course eternally in the history of the Imperial Army.

The late Commander Mohammed Khatami, under whose command the Imperial Air Force rapidly changed to become one of the modern and advanced forces, gave the better part of his life to furthering this military force, important for the defense of the land and sea of Iran, accepting his duty by day and night. The late Commander carried out the trust placed upon him with honor.

etc., etc. - much more!

GENV 37002119

By Command of His Majesty the Shah

COMMANDER-IN-CHIEF **پاژا-ال-تادایون** (?)
BECOMES COMMANDER OF THE AIR FORCE

By order of his Imperial Majesty
(etc., etc.)

FAZA-EL TADAYOWN as of the date of 21
Shahrivar, 1354, has been honored with
the command of the Imperial Air Force.

Commander FAZA-EL TADAYOWN, Chief of
the modern Imperial Iranian Air Force
was born at Zenjan in the year 1297 and
in the year 1317 became an officer of
the Air Force. Commander Tadayown has
had a term as Chief of the Army Staff
and the university faculty administration
in Iran. In the countries of England
and the U.S.A. he has successfully
completed courses in highly technical
aviation and courses in air staff
command.



DETAILS OF THE ACCIDENT AND DEATH OF GENERAL KHATAMI

In a very regrettable accident General Mohammed Khatami, 56 year old
chief of the Imperial Air Force, was killed at Dezful.

The accident occurred while General Khatami was gaining altitude in a "Kite"
(Flying Wing) - when the wind became very strong, and he crashed against
the rocks of a mountainous region near the place of the flight. The wind
began so rapidly that the 56 year old general's balance was suddenly upset.
All at once in these dangerous moments General Khatami made the difficult
attempt to draw himself away from the course of the high wind and, before
striking the mountain, to come down at a point of safe landing.

THE MURDEROUS HIGH WIND

But the chance to descend never came. The death-bearing wind speed was too
much, so that the short distance from the place of flight, a lake bed, to
the mountains was not enough to allow escape from the trap. A few moments
later the final point of General Khatami's flight of no return was reached.

GENV 37002150

MEMO FROM: Frank M. Sylvester

A. H. Zanganeh - Chairman

To:

MR. M. H. MOHRI
 Managing Director
 Air Taxi Co.

Kahlil Eranyed
 Commercial ~~Manager~~
 Director

GENV 37002151

AIR TAXI CO.

Mehrabad Airport

TEHRAN

Tel. { 40257
668992
661967

Telex 2575

Cable TEHRAN AIR TAXI

Date July 24th, 1975.

No.

Yr. Ref.



هوایی تاکسی

شرکت سهامی خاص

فرودگاه مهرآباد-تهران

تلفن: { ۴۰۲۵۷
۶۶۸۹۹۲
۶۶۱۹۶۷

تکس ۲۵۷۵

تلگرافی: تهران ارتاکسی

تاریخ

شماره

Mr. Frank Sylvester
Bell Helicopter Company
Fort Worth, Texas 76101
U. S. A.

Dear Frank,

Reference my telephone conversation, I am returning the letter dated June 17th, 1975, Ref. No. F1:STD:1a-123 and Circular letter No. 117 which you said over the telephone that it was mailed to me by mistake.

When I received this letter I was very much surprised since our Representation Agreement applies to the commercial field only and does not include any military sales.

Ghodsai joins me in sending you and your wife our best wishes.

Looking forward to seeing you soon.

Sincerely Yours,

A. H. Zanganeh

GEN V 37002152



In reply refer to:
 FI:STD:1a-123

17 June 1975

Air Taxi Company
 Mehrabad Airport
 Tehran, Iran

Attention: Mr. A. H. Zanganeh

Dear Mr. Zanganeh:

According to Clause 2, paragraph (c) of your Independent Representative Agreement, you have agreed to "provide monthly written reports to Bell setting forth the customers and sales programs with which (you have) been engaged during the previous monthly period, and the status of all sales programs with which (you) are involved."

Our records indicate that you have not submitted any Monthly Activities Reports for the past year. While we recognize that you may have covered much of this information in your various correspondences with this Department, it is imperative that you submit such reports on a regular basis, summarizing all such activities.

In this way, we will be able to maintain a central file of your activities. This is needed for the following reasons:

1. We will be better able to provide you the support contemplated by Clause 3, paragraph (a) of the agreement. We must know what activities you are involved in and the type of customers you are talking to in order to furnish appropriate sales literature and to render sales assistance particularly designed to your needs; and
2. The Department of Defense has redefined the parameters by which claims for commissions contemplated to be paid to a Representative are evaluated. A change that is of mutual importance relates to "reasonableness." The basic test of "reasonableness" is an assessment of the services provided compared to the amount of commission. I am sure you can appreciate that in the absence of reports, it is difficult to validate the service you have provided. For your ready reference, I am enclosing a copy of the applicable Defense Procurement Circular.

GEN V 37002153

people the world over depend on **Bell**



F1:STD:1a-123

17 June 1975
Page 2

For your convenience, I have enclosed a supply of Monthly Activities Report Forms. I urge you in the strongest terms to submit your reports on a regular basis and that you use these forms when doing so.

Sincerely,

BELL HELICOPTER COMPANY

A handwritten signature in cursive script, appearing to read 'D. E. Mitchell'.

D. E. Mitchell,
Sales Manager
International Marketing

Enclosures

cc: Regional Manager

GEN, 37002154

ITEM VIII--ALLOWABILITY OF AGENT'S FEES AND COMMISSIONS
ON FOREIGN MILITARY SALES (FMS)

The recent increase in dollar value of FMS and the criticism by some major FMS customers of the amount of fees or commissions of sales agents have highlighted potential problems associated with the implementation of 6-705.3. Of particular concern are instances when, because of the very large value of FMS contracts involved, the application of a set commission rate can result in an excessive fee considering the benefit of the agent's activity.

Policies in 6-705.3 state that prices of normal defense contracts for an item are not automatically applicable to FMS contracts for the same item and that costs of doing business with a foreign government are recognized in pricing FMS contracts. Among the common costs of doing business with foreign governments are agent's fees/commissions for sales.

The following policy guidance is provided to supplement 6-705.3 in determining the applicability and reasonableness of agent's fees/commissions:

a. When a contracting officer is requested to obtain price and availability data from a contractor to support the tendering of a Letter of Offer, he shall require the contractor to identify the amount of any agent's fees/commissions or unusual costs of doing business with a foreign government. The contractor shall also be required to identify any unusual provisions or requested ASPR deviations (e.g., special termination clauses or non-standard progress payment schedule), that may be proposed for the contract which could affect the prices quoted.

b. In negotiating contracts for FMS items when the contractor has included costs for agent's fees/commission, the contracting officer shall:

(i) Require the contractor to submit a "Contractor's Statement of Contingent or Other Fees: (SF 119).

(ii) Determine under 1-505 whether a "bona fide" agency relationship exists. (In accordance with 15-205.37(c), agent's fees/commissions are allowable only when paid to bona fide employees or bona fide established commission or selling agencies maintained by the contractor for the purpose of securing business.)

c. Even though a bona fide agency relationship is determined to exist, the agent's fees/commissions will only be allowed to the extent reasonable. The basic test of reasonableness is an assessment of the services provided compared to the amount of the fee. A comparison should be made of the proposed fee/commission with recent payment for comparable services under non-FMS, commercial sales of the same or similar items, or agent's fees/commissions allowed on previous FMS sales of comparable scope and dollar amounts. Consideration should be given to whether the sale is the initial or follow-on sale because the effort for follow-on sales of additional quantities, spares and support equipment would not normally be as great as the effort for the initial sale. Agent's fees/commissions are prohibited for follow-on spares provided under DoD Supply Support Arrangements.

GENV 37002155

23 NOVEMBER 1973

DEFENSE PROCUREMENT CIRCULAR #117

d. If the contracting officer cannot establish reasonableness of proposed agent's fees/commissions based on the price comparison in paragraph c above, the contractor shall be required to provide in a DD Form 633, a cost breakdown of the amount of any agent's fees/commissions related to the services rendered.

e. HPA approval is required on proposed FMS contracts when the agent's fee/commission exceeds \$1 million.

GENV 37002156

IRN 2-5

May 5, 1972

Our References:
F:JEG:cmt:1130

Mr. A. H. Zanganeh
Managing Director
Air Taxi Company
Mehrabad Airport
Toheran, Iran

Dear Mr. Zanganeh:

Further to Mr. Sylvester's letter of May 4th, the following should provide you with a list of action items that need to be discussed during our intended visit on May 19th.

The main purpose is to present a demonstration outline and suggested scenario that Bell would like to demonstrate to the Imperial Iranian Ground Forces.

Meetings must be established prior to our arrival with the appropriate Iranian officials involved to discuss:

1. Specific demonstration dates, locations and schedules.
2. Establish a schedule to pick up the AH-1J and 214A at Fort Worth and transport to Iran via IIAF C-130.
3. The availability of Imperial Iranian Ground Forces personnel that may be involved in the demonstration. Additionally, who will be the Iranian military coordinator?
4. What facilities will be available to us for such things as briefings to include slide and 16mm film projectors?
5. What accommodations are there for approximately 20 to 25 people at each location?
6. Can military vehicles and/or aircraft be utilized for transportation and support of personnel and aircraft?
7. Fueling requirements - source and delivery. Availability of standard Huey ground support equipment at each demo site, i.e., APU - ground handling wheels, etc.
8. Entry into and out of Iran.

GENV 37002146

continued....

Mr. A. H. Zanjaneh
Air Taxi Company

- 2 -

May 5, 1972
F&JG:cat:1130

9. We need to visit the proposed demonstration sites and survey appropriate areas. Incidentally, it is our intention to demonstrate live firing of the AH-1J Cobra and conduct staged combat assault.
10. Hangar and maintenance space. (Will such equipment as a hoist to reassemble aircraft be available upon arrival in Iran?)
11. Communications - type, frequency NAV aids.
12. Aircraft display and security.
13. Interpreters (if required).
14. Operations base, or bases.
15. Organizational chart which provides job titles, name and rank of Iranian Armed Forces Structure.

I look forward to seeing you soon and the establishment of a very successful program.

Best personal regards,
BELL HELICOPTER COMPANY

John E. Gallagher, Jr.
International Regional Manager

P.S. Please give best regards to Khalil.

GEN V 37002147



HEADQUARTERS
IMPERIAL IRANIAN AIR FORCE
TEHRAN IRAN

From :
To :

Ref :
Date : 22 April 1972

SUBJECT :

Messrs Bell Helicopter Company
P. O. Box 482
Fort Worth, Texas 76101
U. S. A.

Dear Sirs,

Your invitation cards to visit Bell Chalet during the 9th German Aviation Show 1972 was forwarded to Her Imperial Highness Princess Fatemeh Pahlavi and General Mohammad Khatami.

While appreciating your considerations both, The Princess and the General regret that they can not attend due to previous engagements.

Thank you,

Maj. M. Mirhosseini
ADC to Gen. Khatami C-I-C
Imperial Iranian Air Force Hq.
Tehran - IRAN

Sincerely Yours,

Maj. M. Mirhosseini
ADC to General Khatami
Commander-in-Chief

INTD.....	1972
Ref. No.	1972
Assigned:	<i>Comp/MLC</i>
Action:	
Info Copies To:	
Vice President	
Manager	
Marketing Supt	
Administration	
Washington Office	
Manager Sales	
File	<i>IRN 5-5</i>

MM/sj

GENV 37002148

9-10-71 10:00 AM

TELEX 24588

BELL HELICOPTER

BRUSSELS, BELGIUM

ATTN: V. H. HUNT/C.P.B. HORSLEY

C/F
IRAN F-1
BEL F-1
Brussels office

FOLLOWING IS INFORMATION ON BELL'S RESPONSE TO AVSCOM REQUEST FOR PRICE AND AVAILABILITY ON 30 AH-1G'S FOR IRAN.

BELL OFFER IS \$410,000 PER UNIT WHICH INCLUDES A DEALER COMMISSION. OUR ESTIMATE OF THE TOTAL FAF PRICE WHICH WILL BE QUOTED TO IRAN IS BETWEEN \$556,000 AND \$586,000. THE \$30,000 SPREAD DEPENDS UPON ADMINISTRATIVE AND SHIPPING CHARGES WHICH THE U.S. ARMY MAY ALLOCATE OR WAIVE PARTIALLY. ESTIMATED PRICES ON GFE ITEMS TO ARRIVE AT TOTAL ARE ENGINES \$75,000, AVIONICS \$30,000, XM²8 TURRET LESS WEAPONS \$29,000, AND INSTRUMENTS \$12,000. THE OFFER PRESUMES THAT U.S. ARMY WILL NOT AND IN FACT NOW CANNOT EXERCISE ITS OPTION FOR CONTINUED PRODUCTION WHICH OPTION EXPIRES SEPTEMBER 30; THEREFORE, THE OFFER IS NOT TIED TO CURRENT PRODUCTION AND IN CONSEQUENCE PRODUCES 16 MONTHS LEAD TIME TO INITIAL DELIVERY.

AIR TAXI, INCLUDING KHALIL IRANZAD, SHOULD BE INFORMED OF THE BELL QUOTE, TO USA-AVSCOM AND THE ESTIMATED TOTAL PRICE AND THE APPROXIMATE LEAD TIME TO DELIVERY COMMENCEMENT. ADDITIONALLY, IT SHOULD BE CLEARLY STATED THAT ON AN FMS CASE, ONLY THE BELL FURNISHED ELEMENTS OF THE HELICOPTER LESS GFE ARE COMMISSIONABLE. IN OTHER WORDS, THE FMS CASE WOULD CARRY A NEGOTIATED - REPEAT NEGOTIATED - COMMISSION WITHIN THE \$410,000 AND NOT ON THE TOTAL.

GENV 37002140

AIR TAXI SHOULD CLEARLY UNDERSTAND THAT DIRECT SALES ARE MUCH MORE PROFITABLE FOR DEALERS THAN FMS SALES. ALSO THAT FMS SPARES FLOWS DIRECT FROM GOVERNMENT INVENTORIES AND CANNOT EVEN BE IDENTIFIED MUCH LESS COMMISSIONED.

FINALLY, IRANIAN PLANS TO ACQUIRE HELICOPTER TECHNOLOGY AND SKILLS, THROUGH THE APPLICATION OF INDIGENOUS LABOR AND MATERIALS INTO BELL PRODUCTS INCLUDING COBRA SERIES DICTATE A DIRECT BELL RELATIONSHIP.

SYLVESTER

GENV 37002141

DELL HQPTR FTW

BELLHQPTR DRU B

OCTOBER 18 1971 TNY 081

CITR. F.M. SILVESTER

C. J. HALLGREN, V. J. YATES

RE. IRAN.

INTERNATIONAL	
OCT 18 1971	
Ref. No.	
Assigned:	
Action:	
Info Copies To:	
Vice President	
Manager	
Market Control	
Administrative	
Washington Office	
Manager Sales	
File	

TRANSD IRANZAD TODAY + FOLLOWING POINTS CLARIFIED.

1. BENEESH WAS ASKED THAT DELL SEND A TEAM TO DISCUSS A POTENTIAL CO-PRODUCTION PROGRAM AND CLAIMS ESSENTIAL ARRIVE TEHRAN ON OR BEFORE NOVEMBER FIRST. BENEESH HAS NOT AND DOES NORMALLY NOT DISCUSS FULL DETAILS WITH AIRFAXI.
 2. MEETINGS WILL INITIALLY TAKE PLACE WITH BOTH BENEESH AND TOUFANEAN, AND BENEESH PARTICULARLY ASKED THAT END COME.
 3. IT WILL BE OF ADVANTAGE TO HAVE THE PROPOSAL PRESENTLY BEING PREPARED WITH US THOUGH ONLY AFTER THESE TALKS IT SEEMS WILL WE REALLY ESTABLISH WHAT IS REQUIRED. THEY NEED TO BE GENTLY LED BY THE HAND.
 4. IRANZAD AGREES THAT I SHOULD ARRIVE EARLY TO ESTABLISH AND REPORT BACK OVERALL SITUATION BEFORE YOUR ARRIVAL.
PLAN TO ARRIVE TEHRAN OCT. 25TH.
- C.P. HORSLEY.

GENV37002130

COCC AUTO-RETRY

26/07 23.21

2575 A TAXI TN

758229 TELEX PD BELL HELICOPTER CO FTW TEX 7/26/72 415P CST
MSG 209

9512575 AIR TAXI

TEHERAN IRAN

ATTN J GALLAGHER

THE MANNER IN WHICH WE PREPARE A TOTAL SYSTEMS PROPOSAL HAS
AS AN ESSENTIAL ELEMENT JOE COMPENSATION. THEREFORE IT IS
MANDATORY THAT WE KNOW WHERE WE STAND WITHOUT FURTHER
DELAY FOLLOWING ALICE'S RETURN.
ADVISE US BY PHONE OR TELEX OF ANY DEVELOPMENTS AS THEY OCCUR.

SYLVESTER

BELLCRAFT

END TU RC

⊕

2575 A TAXI TN.....

07/26/72 1619EST 001.7

GENV 37002138

DIAL 102 FOR RCA OVERSEAS TELEX.

01/07/72 0702 EST#

BELL HCPTTR FTW

BELLHCPTTR BRU B

JAN 7, 192 TWX 919

ATT. MR. V.H. HUNT, C/O INTERNATIONAL MARKETING

INTERNATIONAL MARKETING DEPT.	
JAN 7 1972	
Ref. No.	014
Assign	
Action	Hunt
Info. C.	
View	<input checked="" type="checkbox"/>
Mail	
Makeup	
Admin.	
Washed	<input checked="" type="checkbox"/>
Manager	ENG 2-1
File	IRN 2-1

AA HEDGES CALLED AND REQUESTED A REPLY TO WATERPARK TWX RE MANN AVIATION ASAP. ALSO HE HAS CUSTOMER WISHING TO SEE 212 IN GERMANY AND FRIDAY JAN 14 HAS BEEN ARRANGED. IT IS AN UNNAMED OIL CO. FOR IRISH SEA OFFSHORE WORK. SIKORSKY (PARIS) AND S-58T ARE PRESENTLY A COUPLE OF LEAPS AHEAD. BEAS WILL OPERATE AND MAINTAIN THE PURCHASED/LEASED AIRCRAFT. SIKORSKY OFFERING DLRS 25,000 DEPOSIT WITH 42 MONTHLY PAYMENTS OF DLRS 14,000 FOR FULLY EQUIPPED BIRD.

BB ZANGANEH CALLED FROM ZURICH AND SAID THAT TOUFANIAN/DAHESH VISIT TO US WAS FIRM FOR END OF JANUARY BUT NO DATES FOR BHC VISIT YET ESTABLISHED. HE HAD LITTLE ELSE TO REPORT.

BEST REGARDS

HORSLEY

BELLHCPTTR BRU B#

BELL HCPTTR FTW

GENV 37002121

BELL HCPTR FTW

2575 A TAXI TN

BELL HELICOPTER FORT WORTH TLX 758229

JAN 8/71

REF 17/72

INTERNATIONAL MARKETING DEPT.	
JAN 10 1972	
Ref. No.	
Assigned: <i>Europe</i>	
Action:	
Info Copies To:	
Vice President	<input checked="" type="checkbox"/>
Manager	<input checked="" type="checkbox"/>
Market Manager	
Administration	
Washington Office	
Manager Sales	<input checked="" type="checkbox"/>
File	

ATTN GALLAGHER

REF YOUR MESSAGE 951 JAN 7/72 YOUR REF 812 FORTHCOMING VISIT OF GEN TOUFANIAN AND MR DEHESH TO FW STILL INDEFINITE. HOWEVER, ACCORDING TO MR DEHESH, PLANNING FOR THIS TRIP IS BEING MADE BY THE USA MILITARY AUTHORITIES. HE RECOMMENDS THAT YOU CHECK WITH THEM IN ORDER TO FIND OUT THE DATE. IRANZAD

2575 A TAXI TN

BELL HCPTR FTW

GEN V 37002122

JAN 10 1972
 JAN 10 1972
 JAN 10 1972

INTERNATIONAL MARKETING DEPT.	
JAN 10 1972	
Ref. No.	.....
Assigned to	.....
Action	.....
Info. Contact	.....
Vice President	.....
Manager	.....
Market Manager	.....
Administration	.....
Washington Office	.....
Manager Sales	.....
File	.....

- 1. THE MR. F. VILVETTER, J. GALLAGHER, F. J. MILLER
- 2. OUR LETTER 12/71 UNDER REF 71/71 WE SENT YOU A TELEX TO AIRFREIGHT THESE ITEMS REFERRED BY THE IIR. YOUR ANSWER DATED DECEMBER 27/71 WAS RECEIVED IN OUR HAND AFTER TRANSMISSION OF THIS MESSAGE.
- 3. ON JAN 8/72 WE RECEIVED YOUR TELEX DATING YOU HAD NOT RECEIVED OUR LETTER 12/71 OF DECEMBER 11/71.
- 4. ON JAN 14/72 UNDER REF 8/13/1476/BL7101 WE WROTE TO YOU ENVELOPING A PHOTO COPY OF TELEX 71/71.
- 5. OUR ACTIVITY REPORT DTD DEC 29/71 REF 8/14/1586 FOLLOWED.

UNFORTUNATELY, INSPITE OF THE FACT THAT THIS ORDER WAS CLASSIFIED ASG, WE ARE ASTOUNDED THAT TO DATE WE HAVE NOT RECEIVED ANY REACTION FROM BELL HELICOPTER.

WE REQUEST THAT IMMEDIATE ACTION BE TAKEN TO AIRFREIGHT THESE ITEMS DIRECTLY IN THE NAME OF THE IMPERIAL IRANIAN NAVY HEADQUARTERS TEMERAN AGAINST YOUR SIGHT DRAFT DRAWN ON THEM FOR THE TOTAL VALUE (CIF TEMERAN)

REGARDS IRANIAN

GENV 37002123

AIR TAXI CO.

Mehrabad Airport

TEHRAN

40257

Tel. 668392

661967

Telex 2575

Cable TEHRAN AIR TAXI

Date July 13, 1972.

No. S/13/1163

Yr. Ref.



شرکت هواپیمایی ارتاکسی

فرودگاه مهرآباد - تهران

۴۰۲۵۷

تلخ ۶۶۸۹۹۲

۶۶۱۹۶۷

تاکسی ۲۵۷۵

تلگرافی: تهران ارتاکسی

تاریخ

شماره

INTERNATIONAL MARKETING DEPARTMENT	
JUL 19 1972	
Ref. No.	715
Assigned	Arman
Action	Arman
Info Copied to:	
Vice President	
Market Development	
Administration	
Area Manager	
Regional Manager	
Washington Office	
File	TR 11 3-2-72

Mr. F. Sylvester,
 Vice President - International Marketing,
 Bell Helicopter Company,
 P.O. Box 482,
 Fort Worth, TEXAS 76101,
 U.S.A.

Dear Mr. Sylvester,

I must apologize for the delay in answering your letter of June 16, 1972, which was due to my absence from the country.

After careful consideration and consultation, some changes have been made, which I hope will meet with your approval.

I hope you appreciate that Bell Company's commitment to me is based on many years of diligent effort by myself and members of my staff, as documented by regular correspondence between us. This effort, I am sure you will agree, is partially responsible for your success with the Imperial Government of Iran be it direct or Government to Government.

In view of the above, I cannot agree to make my rights subject to the arbitrary decision of the U.S. Government.

As the initial Letter of Intent was signed on April 18, 1972, may I suggest that Amendment No. 1 dated April 1, 1972, be back-dated so that any misunderstanding or complications may be avoided.

Please find enclosed the revised Amendment No. 1 which I have signed accordingly. I look forward to receiving the counter signed amendment and also seeing you in Teheran soon.

Best personal regards,

Yours sincerely,
 AIR TAXI COMPANY,

A.H. Zangeneh,
 Managing Director.

GENV 37002099

mgm



MANUFACTURER'S FOREIGN REPRESENTATIVE AGREEMENT
AMENDMENT NO. 1

This Amendment Number 1 to the Manufacturer's Foreign Representative Agreement made between Bell Helicopter Company, Division of Textron, Inc. (hereinafter called Bell), and Air Taxi Company of Mehrabad Airport, Tehran, Iran (hereinafter called the Representative), is made for the purposes of further defining the rights and obligations of the parties under the Manufacturer's Foreign Representative Agreement made between Bell and the Representative on the 15th day of June 1970. This Amendment recognizes the contributions made by the Representative in concluding the consummation of the major programs as set forth below.

WITNESSETH:

It is agreed between Bell and the Representative that this Amendment Number 1 shall be considered the governing agreement specifying the obligations and rights of the parties concerning the sale by Bell of the Bell products and services listed below to the Imperial Iranian Government and concluded by delivery of such Bell products. The program anticipated consists of:

100 151	Model 206A/OH-58A
150 153	Model 205A/UH-1
200 204	Model 209/AH-1J
200 211	Model 214

GENV 37002100

Related spare parts, accessories, equipment, tooling, services, training, or data

11 ←

BELL HELICOPTER COMPANY

Page No. 2

- A. Bell will pay to the Representative a commission of 2.5% of the value of any contract executed between Bell and the Imperial Iranian Government for the delivery of the Listed Products. *of any or all*
- B. Subject to the approval of the U.S. Government, Bell will pay to the Representative a commission of 2.5% of the value of any contract Bell receives from the U.S. Government for the purchase and delivery of helicopters resulting from a contract between the U.S. Government and the Imperial Iranian Government. *Handwritten signature*
- ~~B2. See Over.~~ *Handwritten signature*
- C. In the event that the Imperial Iranian Government elects to procure products, other than helicopters, through the U.S. Government, Bell shall incur no obligation to pay any commissions to the Representative.
- D. Commissions shall become payable to the Representative upon delivery of the Listed Products and receipt by Bell of payment thereof. In the event Bell obtains advance payments from the Imperial Iranian Government for the Listed Products contracted for between Bell and the Imperial Iranian Government, Bell shall pay to the Representative as advance commissions, 2.5% of those advance payments received. Upon receipt of final

Handwritten signature GENV 37002101

B.2. In the event that the U.S. Government refuses to approve the representative's commission, Bell agrees to pay a commission / consultant fee of 1% (one percent) to Air Taxi Co. or Mr. A. H. Zangach, Chairman and Managing Director of Air Taxi Co. (major shareholder), in recognition of his long-standing efforts and contributions.

ll - 

GENV 37002102

30-977



Page No. 3

payments from the Imperial Iranian Government, Bell shall liquidate the advance commissions paid to the Representative at the time of payment of the final commission.

E. This Amendment shall become effective on the date hereof and shall continue until terminated in accordance with Item 6, Term and Termination, of the basic Manufacturer's Foreign Representative Agreement, dated 15 June 1970.

F. All provisions of the basic Manufacturer's Representative Agreement, dated 15 June 1970, not specifically amended herein, remain unchanged.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed as of the day and year set forth below:

[Signature] _____

By A. H. Zanganeh _____

(Title) Managing Director (Title) _____

Witness Abdolkarim Ghasseini Witness _____

Date: APRIL 1 1972 Date: _____

GENV 37002103

1. HCPTR FTM

2360INTRCON TN

2360INTRCON TN#

BILL HCPTR FTM

BILL HELICOPTER CO FTM 758229

JULY 27/72

REF 274/72

ATTN MR SYLVESTER

INTERNATIONAL MARKETING DEPARTMENT	
JUL 27 1972	
Ref. No.	
Assigned to	
Action:	
Info Copies to:	
Vice President	
Market Development	<input checked="" type="checkbox"/>
Administration	
Area Manager	
Regional Manager	
Washington Office	
File	

Spivey

AA RECEIVED YOUR MSG 209 AND HAVE ADVISED ^{AIR TRIP}JOE. SITUATION REMAINS
 SAME. ^{AIR DEBESH}PLEASE DUE TO ARRIVE WITHIN NEXT THREE DAYS, AS ALWAYS
 WILL KEEP YOU ADVISED OF ANY AND ALL DEVELOPMENTS AS THEY OCCUR.

^{AIR FORCE}BB KAREN IS TAKING A MUCH MORE ACTIVE ROLE IN PROGRAMME. SO FAR
 IT SEEMS TO BE TO OUR ADVANTAGE.

CC HAD MEETING TODAY WITH ^{NAVY'S}HELEN'S CHIEF OF AVN, SAYS HER NEW
 ORGANIZATION TO BE APPROVED BY ^{SAAA}JANE WITHIN NEXT TWO WEEKS
 WILL REQUIRE TWELVE ADDITIONAL ^{AH-1J}SWORDS WITHIN SAME APPROXIMATE
 TIMING AS ENVISAGED FOR ^{GEN K'OSRODAD}MARY'S REQUIREMENTS.

PLEASE ASK SPIVEY TO BRING -

GEN 37002091

DD EACH DATA KNEE BOARDS WITH ONE HUNDRED CARDS.

DD EACH DATA KNEE BOARDS WITH ONE HUNDRED CARDS.
 DD EACH DATA KNEE BOARDS WITH ONE HUNDRED CARDS.

THE AIRCRAFT RELIABILITY TEST REPORTS CONCERNING
MINIGUN ROCKET AND 20MM.

- 4) SHITTY FEELS THAT WE NEED 300 LBS SHOT BAG BALLAST FOR
MISCELLANEOUS SPECIAL TESTS.
- 5) ASCERTAIN CORRECT WEIGHT AND BALANCE NUMBERS FOR BOTH
AIRCRAFT AND BRING ADEQUATE FORMS.

ENM GENERAL OPERATIONAL PLAN IS UNCHANGED - FIRST DAY AUGUST
SIXTH AT TABRIZ. MAIN SHOW AUGUST 26 WITH ADEQUATE TIME FOR
PREPARATION.

REGARDS GALLAGHER/SMITH

GENV37002092

TELEX 2300 INTRCON TN

INTERCONTINENTAL HOTEL

TEHERAN, IRAN

ATTN: JACK GALLAGHER

REF. BB. BLOOM ADVISES INFO PROVIDED VERBALLY TO SPIVEY. ADVISE IF NEED CONFIRMATION IN WRITING. IF SO WILL CAUSE LETTER TO BE PREPARED AND AIR MAILED TO AIR TAXI.

NEW SUBJECT. HAVE PREPARED LETTER OF COMMENDATION OF C130 FLIGHT CREWS. REQUEST YOU ADVISE FULL NAME AND ADDRESS FOR PROPER RECIPIENT. WOULD SUGGEST BRIG. GEN. AZARBAZIN.

NEW SUBJECT. THIRD C130 STILL OUT OF COMMISSION MCGUIRE. HOWEVER EXPECT ARRIVAL FORT WORTH TODAY. WILL ADVISE FLIGHT PLAN AS IT BECOMES KNOWN.

NEW SUBJECT. REQUEST YOU ADVISE WHEN HELICOPTERS ARRIVE.

MITCHELL

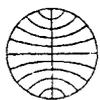
GENV

37002089



HOTEL
INTER-CONTINENTAL
TEHRAN
CONTACTS

Down Sept 8, 9, 10
Passeno
Finney
Laundry —
Khanlouel —
Minbashian —
M/G Watson —
Air Taxi
Debeh —



PanAm.
in the main lobby

or Pan Am corner Shah Reza Ave. Villa Tel. 832051-5 Tehran

GENV

37002084

Tolson - JFM, Sept 10

Agenda

1. Overview

- ① Division Passmore Finney Laundry - Dennis Finney
 (with) Laundry gave top-level "Informative
 brief - not specific proposal brief - can
 low-cost team think a "Victrol Logistics Center
 should be established - computerized etc.
 Not clear on who USA or contractor
 Wanted meeting to coordinate with Bell but
 finished Sat eve - left Sun. morn.
 Wants to meet with Bell in USA - in Belmont's
 shop. I - good friend of Ramsey.

② Division Passmore States

Khorramabad + Mubairahion 05x5 Sat morning.

- a) "J" & "weak" craft - not up to Iran mission -
 Air Mobile brigade - 400 Km strategic capability
- b) King needed - less sophisticated intelligence / locking
 + inertial nav - etc. that wt = more payload
- c) Blackhawk - to be demo-ed.
 " " price - not 3M but 1M
 M/LW to correct this
- d) Prices - Bell lecture on J + King VS Blackhawk
 prices

GENV

37002085

3 -

W. Duncan very negative on this because of
attitude toward Agent to commit understand
why he listened.

a) Head board Agenda was cut out of 214 program
by direction of H (M), and was greatly reduced.

b) Confirmation "At Debasch request" ~~(C)~~
Meag amplified T's request to add Mid Qual

I pointed out Time ~~cost~~ delay
Cost increase and
loss of civil application in Iran +
world markets

I think E Duncan aided and abetted this approach
and also think there is a B/K reflection of
enchantment with anything with a
US Army "Prime grade" stamp on it and
also a PVA factor

c) Duncan had Saturday Telecon with Stan Degroot
in Peets shop - Degroot in response to the
question of practicality of FMS ~~was~~ said no
apparent major problem, but 214 requires
scrutiny before commitment.

GENV 37002087

6. DeLoach - Sunday - Tolson
 Deal case whether FAA or Mil certified
 Evident comment on whether he specified Mil
 If Army assigns delay to program due Mil General
 then will specify ~~FAA~~ FAA (or Direct sale)

7. DeLoach talked to Masseroni/Victor Emmanuel
 at Ts reception + informed them that 214
 is out + that they Aquino will get 206 + 205
 Masseroni expressed "complete satisfaction"

8. Masseroni + Victor Emmanuel in town
 Corrado not + holds no reservations,

9. AIR TAXI

Z not in town - talked Khalil
 Message passed carefully and well understood
 Z - to confer with D and determine
 how to proceed,

11 M/G W:
 209 J cruise vs 214 - compatibility

GENV 37002088

~~INTERNATIONAL MARKETING~~Copy: H. Weichsel
C. RudningSeptember 21, 1972
FRFMSpb-125TO: J. F. Atkins
SUBJECT: IRAN

Developments in the Iranian program since our respective departures from Iran Co, in my opinion, abundantly demonstrate our previously agreed-to need for continued on-the-scene management representation.

Apparently the DA/Industry Team, an element of which would be Rudning, myself and an engineer, is programmed for arrival in Iran during the first two weeks of October. In light of the fact that a senior representative must have intimate familiarity with all aspects of the program, must know and be known by officials in Teheran that are key to the program, and must be able to do business with them on an equal footing - our choice is limited, at least initially, to myself, Rudning or Mitchell.

Therefore - and unless advised to the contrary, I plan to return to Teheran on or about September 27th and to remain there at least until a top level representative has been properly positioned with program continuity established with and accepted by Toufanian, Dohesh, Williamson, Zenganeh, etc., and the DA/Industry Team, as well as the Bell Training Survey Team, have completed their missions.

I hope for an early opportunity to discuss this further with you, Hans Weichsel and Chuck Rudning.

Frank M. Sylvester
Vice President
International Marketing

GENV 37002080

M

RCA0750/26#

BELL HCPTR FTW

2300INTRCON TN

ATT F.M. SYLVESTER.

INTERNATIONAL MARKETING DEPARTMENT	
SEP 26 1972	
Ref. No.	
Address	<i>Frank</i>
Action	
Info Copies to:	
Vice President	<input checked="" type="checkbox"/>
Market Development	<input checked="" type="checkbox"/>
Administration	
Area Manager	
Washington Office	
File	

GEN WILLIAMSON

AA. APPOINTMENTS AS REQUESTED ARRANGED WITH ~~BABS AND ALICE~~ *MR DEHESH*
SATURDAY 30 SEPT A.M.

BB. NO ONE INCL. WIFE HAS EXACT CONTACT POINT FOR Z IN WASHINGTON BUT KHALIL ASSURES ME HE WILL MAKE CONTACT WITH WASHINGTON OFFICE ON ARRIVAL THIS AFTERNOON.

BEST REGARDS
HORSLEY.

2300INTRCON TN#
BELL HCPTR FTW
".....

GENV

DIAL 102 FOR RCA OVERSEAS TELEX.

37002079

MEMO FROM: Frank M. Sylvester

To: C. R. Rudning

10-9-72

Herewith a copy of some Teheran living cost data that Khalil developed from an unknown source or sources.

They look fairly reasonable.

Frank M. Sylvester

GENVY 37002077

RENT House - 3 bedrooms 'F' \$300 - \$600 per month
 " " 'U' \$200 - \$500 " "
 Apartment - almost same 'F' & 'U'

FOOD (and other daily essentials) \$250 - \$350 per month

DOMESTIC One maid with some knowledge of English, full-time, \$100 pm.
 No English \$40 - \$80, full-time, per month.

CAR (Hire) Monthly rental, small car, no mileage charges, all maintenance included in rental fee, self-drive, minimum \$185 pm.
 A driver would be \$100 per month, if required.
 Air-conditioned larger car \$270 per month.

(Purchase) Small car approx \$3000.00
 Large car, Rambler type, \$5000.00

SCHOOLING 'Teheran American School' (TAS) \$950 per student, per year.

MEDICAL Standards as good as American - yet costs much below U.S. standards.

GENV

'F' Furnished
 'U' Unfurnished

37002078

A. Muzad


 BELL HELICOPTER COMPANY
Inter-Office Memorandum

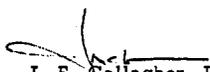
July 11, 1972
 F4:JEG:cmt:1167

Memo To: Mr. F. M. Sylvester

Subject: Phone Conversation with Horsley, July 10, 1972 - Discussion concerning current Iran situation

1. It is not intended that the WG-13 will be present in Iran during our intended demonstration.
2. Mr. Dehesh stated in response to your letter to General Toufanian concerning the demonstration timing that there will be no problem in having C-130's available per our request, however stated the aircraft would probably come from Teheran.
3. Dehesh stated that Corrado's 212 is "perhaps not coming".
4. No further news on the activities or results of the recent visit of Jerry Russel.
5. The MTT Team left last Friday and will not have report finished until September. Chief man on team is Mr. Don Wells.
6. Present feeling concerning factory is to wait until September before making decision on whether the factory can be utilized in the form of final assembly or strictly overhaul and repair.
7. I confirmed that Mr. Atkins can be in Iran during demonstration.
8. UACL does not have a contract and have departed Iran; reason stated is that HIM does not want to commit prior to deciding aircraft type.
9. Air Taxi has not signed recent amendment to the M.F.R.A.; reason—Mr. Zanganeh is out of country.
10. In order to tie down HIM for a specific day so that he will be available to fly in demonstrators, it was decided that the 8th of August is as good as any.

GENV 37002066


 J. E. Gallagher, Jr.
 International Marketing

7-17-72

BELL HELICOPTER CO. FTW

REF 249/72

ATTN: F. M. SYLVESTER

- AA GEN. WILLIAMSON SUPPORTS GEN. HOWZE SCRIPT ONE HUNDRED PERCENT. HAS EVEN SUGGESTED SOME ADDITIONAL EVENTS THAT CAN EASILY BE DONE WITH MINOR MODIFICATIONS. THESE EVENTS CAN BE DISCUSSED AT A LATER DATE DURING GEN. HOWZE'S PRESENCE HERE.
- BB MAKING EVERY EFFORT TO OBTAIN CONFIRMATION OF C130 ARRIVAL IN WRITING. EXPECT TO RECEIVE TOMORROW OR NEXT DAY.
- CC EVALUATION OF AIRCRAFT TO BE CONDUCTED BY COMBAT RESEARCH EVALUATION COMMAND (CREC) UNDER THE COMMAND OF MG BROOMENDAN. MEETINGS CONCERNING THE PREPARATION OF EACH EVALUATION SITE AND NECESSARY DETAILS FOR DATA COLLECTION ETC. ARE CONDUCTED TRI-WEEKLY. MEMBERS CONSIST OF REPRESENTATIVES OF CREC/MAAG/GEN. KHOSRODAD/AIR FORCE/RESEARCH TECHNICAL INSTITUTE/NAVY/GEN. TOUFANIAN GROUP AND MYSELF REPRESENTING BELL.
- DD ACTUAL EVALUATION TEAM WILL CONSIST OF APPROX FIVE DATA COLLECTORS, FROM THOSE GROUPS MENTIONED IN CC ABOVE. HAVE INCLUDED AT THE REQUEST OF CREC SMITTY AS BELL REP. MAKE SURE SMITTY BRINGS ALL RELATIVE DATA CONCERNING BOTH BIRDS.
- EE ARADMAC/MTT TEAM WAS EXTREMELY WELL RECEIVED. GEN. PATTON THINKS GEN. TOUFANIAN MAY DRAG HIS FEET REFERENCE FACTORY AND RELATIVE SUPPORT UNTIL TEAM COMPLETES REPORT END OF SEPTEMBER. GEN. WILLIAMSON HOPES THAT WE CAN GET TOGETHER WITH ARADMAC AS TO NOT DUPLICATE OR CONFUSE EFFORT. ACTION OBVIOUSLY STRIKER NEEDS TO MEET WITH MTT REPRESENTATIVES ASAP.
- FF DEHESH SAYS JFA SHOULD BE HERE FOR MAIN DEMO WHICH IS NOW ESTIMATED TO TAKE PLACE ON OR ABOUT AUGUST 26. THIS PROVIDES US MORE PROPOSAL/SUMMARY PREP TIME. CAN FALL BACK NOW TO ORIGINAL TIMING FOR IN-COUNTRY PROPOSALS BY MID AUGUST. DEHESH SAYS IF WE WANT TO INVITE CORRADO FINE. HOWEVER, HE DOES NOT WANT TO INVITE HIM.

GEN V 37002067

PAGE 2

- GG REF TO DOD FUNDS - BESIDES STATEMENT BY DEHESH THAT SUFFICIENT COMMERCIAL FUNDS ARE AVAILABLE, SHAH RELUCTANT TO COMMIT FUNDS FROM ANYWHERE THAT CONCERN THIS PROGRAM FOR FEAR OF PREJUDICING THE ISSUE. FOR THIS REASON UAEL DID NOT RECEIVE CONTRACT. DEHESH FULLY AWARE AND APPRECIATIVE OF THE FACT THAT WE MADE HIM AWARE OF ADDITIONAL FUNDS.
- HH RELATIONSHIP OF GEN. TOUFANIAN AND GEN. KHOSRODAD EXTREMELY STRAINED. GEN. KHOSRODAD BOWING OUT OF PICTURE AND STATING HE IS TO BE THE OPERATOR AND NOT RESPONSIBLE FOR THE PURCHASE OR EVALUATION OF EQUIPMENT THUS THE APPOINTMENT OF NEW EVALUATION TEAM.
- II AIR FORCE IS STILL IN THE PICTURE BUT AT THIS TIME ONLY AS AN OBSERVER AND TO SUPPLY SUPPORT FOR DEMO.
- JJ CREC CONFIRMS THAT THEY WILL NOT REQUIRE ANY FORMAL AIRCRAFT BRIEFINGS.
- KK AIR TAXI HAS SIGNED AND DISPATCHED AMENDMENT TO MFRA BUT WITH CHANGES.
- A) AMENDMENT IS TO BE DATED APRIL 1, 1972.
- B) ZANGANEH DOES NOT AGREE WITH PARAS REFERENCING FMS CASES AND HAS WRITTEN A SUGGESTED ADDITIONAL PARA ON THAT SUBJECT. I HAVE NOT HAD AN OPPORTUNITY TO DISCUSS THIS PARA IN DETAIL WITH ZANGANEH BUT WILL DO SO TOMORROW AND WILL REPORT OUTCOME. A BRIEF REVIEW OF ADDITIONAL PARA IN MY ESTIMATION IS TOTALLY UNACCEPTABLE AND HAVE ADVISED KHALIL OF THAT FACT.
- SIGNED AMENDMENT AND COVERING LETTER WAS MAILED JULY 13, 1972. ESTIMATE YOU TO RECEIVE APPROX JULY 20 OR 21.
- LL HORSLEY DEPARTS FOR LEBANON WEDNESDAY MORNING.
- MM CORRADO NOT IN TOWN AND IS NOT EXPECTED.
- NN DEHESH AND GEN. TOUFANIAN OFF TO FRANCE TUESDAY AND THURSDAY RESPECTIVELY. MISSION AS OF YET NOT KNOWN BUT WILL FIND OUT AND TELEX.

BEST REGARDS.

GENV 37002068

GALLAGHER

#572 A TAXI TN

BELL HELICOPTER CO FTW

JULY 18/72

REF 256/72

ATTN: F. SYLVESTER

AA CREC MEETING TODAY FINALIZED:

- 1) GENERAL ORDERS FOR BROOMENDAN SIGNATURE AND GEN. MINBASHIAN'S APPROVAL ESTABLISHING THOSE REQUIREMENTS NECESSARY AND COMMANDER'S RESPONSIBLE FOR THE PROPER EXECUTION OF THE EVALUATION AND DEMO. THIS INCLUDES PREP OF SITES - RANGES - P AND L - SECURITY, ETC.
- 2) AN EVALUATION CHECK LIST TO RECORD PERFORMANCE DATA AT EACH EVALUATION SITE ALSO FOR APPROVAL OF BROOMENDAN TOMORROW.

BB REFERENCE MFRA AMENDMENT FOR AIR TAXI. HAVE DISCUSSED WITH JOE AND HE OBVIOUSLY CONCERNED ABOUT BEING LEFT IN THE COLD IF IN CASE U.S. TO IRAN NEGOTIATIONS RESULT IN UNFAVORABLE POSITION REGARDING REMUNERATIONS. HAVE STATED HIS NEW PARA ABSOLUTELY UNACCEPTABLE. HOWEVER JOE WISHES TO FURTHER DISCUSS THE MATTER WHEN FMS/JFA PRESENT AND CONTRACT VALUE KNOWN.

CC IT IS RUMORED THAT DEHESH AND TOUFANIAN WILL STOP TO SEE CORRADO ON RETURN TRIP - REASON FOR VISIT FRANCE IS RUMORED TO BE MISSILES. THEIR DURATION OF TRIP TEN DAYS.

DD PLEASE SEND MAX ALLOWABLE SMALL LITHOS OF ALL MODELS. THIS IS TO BE USED FOR RECRUITING PROGRAM.

EE AIR TAXI IN NEED OF TEN EACH LATEST ALL BROCHURES AND ROTORWAYS.

FF MEET WITH GEN. KHATAMI'S CHIEF OPS TOMORROW TO DISCUSS TRANSPORTATION CONFIRMATION SCHEDULE.

GG DEHESH GIVEN ME AUTHORITY IN WRITING TO COORDINATE WITH DEPTS INVOLVED ALL ACTIVITIES FOR PREPARATION OF EVALUATION AND DEMO AND RELATED SUPPORT REQUIREMENTS.

BEST REGARDS

ENW

37002064

GALLAGHER

A TAXI TN

BELL HELICOPTER CO FTW

JULY 18/72

REF 257/72

ATTN: F. SYLVESTER

HEREWITH ADDITION TO MY TELEX 256/72 JULY 18.

HH BRISTOW HAS REQUIREMENT FOR APPROX EIGHT MORE 47S TO MEET INCREASED TRAINING SCHEDULE DUE TO NEW CONTRACT. THEY WILL PROBABLY BUY USED EQUIP BUT HOWEVER WILL PROVIDE GSA PRICING. WE EVENTUALLY WILL HAVE TO NEGOTIATE SOME ARRANGEMENT WITH THEM CONCERNING TRAINING DEPENDING OUTCOME OUR PRESENTATION. HOWEVER FEEL IT PREMATURE TO DISCUSS AT THIS TIME. BRISTOW CONTRACTED TO TRAIN 100 TO 150 DRIVERS PER YEAR.

GALLAGHER

GENV 37002065

BELL HOPTER FTW

BELL HOPTER FTW

2575 A TAXI TN

BELL HELICOPTER CO FTW TLX 75822

JULY 29/72

REF 277/72

INTERNATIONAL MARKETING DEPARTMENT	
JUL 29 1972	
Ref. No.	
Assigned	
Action	
Info Copies	
Vice President	
Market Development	<input checked="" type="checkbox"/>
Administration	
Area Manager	
Regional	
Washington	
Title	

ATTN D MITCHELL - URGENT - MUST BE RELAYED TO D MITCHELL IMMEDIATELY.

REFERENCE YOUR PHONE CALL. HAVE CONTACTED GENERAL AZARBARZIN WHO HAS SENT CABLE TO NY OFFICE TO PASS IRANIAN PILOTS

- 1) TO CARRY REQUIRED AMMO
- 2) WILL EXPEDITE OVER FLIGHT CLEARANCE
- 3) TO CUT OUT NIGHTSTOPS^{so As} TO ARRIVE TEHRAN 1ST AUGUST

GEN AZARBARZIN SAYS WEIGHT LIMIT IS 25,000LBS. ~~IF~~ IF OUR LOAD IN EXCESS OF CAPACITY FOR BOTH C-130S WE WILL HAVE TO SHIP REMAINING EQUIPMENT VIA COMMERCIAL TO TEHRAN IIAF CAREOF AIR TAXI CO. CUSTOMS CLEARANCE WILL BE TAKEN CARE OF AT THIS END BY IIAF AND AIR TAXI CO

CONFIRM TO US THAT MR MITCHELL HAS RECEIVED THIS TELEX

THANKS J GALLAGHER

JNW 37002062

2575 A TAXI TN

WJINY 20282 1231 07/29#

BELLHCPTR FTW

9512575*5

29/07 18.34 3

2575 A TAXI TN

758229 BELL HELICOPTER CO FT WORTH TEXAS MSG 251 7-29-72

1131AM CST

AIR TAXI IRAN 951 2575

ATTN A GALLAGHER

CONFIRMED RECEIPT YOUR REF 277/72

SYLVESTER / MITCHELL

BELLCRAFT

ENDM#

2575 A TAXI TN

GENV

37002063

5-2-72

AIR MAIL

INDEX NO. 2873 A 101 13

TEHERAN, IRAN

ATTN: A. H. FARGHNEH

PLEASE CONFIRM THAT LETTER OF RESPONSE SIGNED BY AHSINS
ADDRESSED TO SURE HAS BEEN RECEIVED. IF NOT HAVE YOUR COPY
DELIVERED TO SUSY.

BEST REGARDS

SYLVESTER

GENV

37002060

WJINY 28367 1301 050000

BELLMCPTR FTW

9512575"

AUTOMATIC RETRY

02/05 18.01

2575 A TAXI TN

758229 BELL HELICOPTER CO FT WORTH TEXAS MSG 13 5-2-72 1155AMCST
AIR TAXI TEHERAN IRAN 951 2575

ATTN A H ZANGANEH

PLEASE CONFIRM THAT LETTER OF RESPONSE SIGNED BY ATKINS ADDRESSED
TO SUSY HAS BEEN RECEIVED .IF NOT HAVE YOUR COPY
DELIVERED TO SUSY.

SYLVESTER

BELLCRAFT

ENMC

⊕

2575 A TAXI TNM

GENV

37002061

BELL HELICOPTER COMPANY
 POST OFFICE BOX 487 • FORT WORTH, TEXAS 76101

FRANK M. SYLVESTER
 VICE PRESIDENT-INTERNATIONAL MARKETING

May 4, 1972

Lt. Gen. H. Toufanian
 Deputy Minister of War for Armament
 Saltanat-Abad
 Tehran, Iran

Dear General Toufanian:

ad

This should serve to confirm my cable of May 3rd in which I informed of plans for a group of Bell Helicopter officials to arrive in Tehran on May 19th. In addition to the under-signed, the group will consist of:

C. R. Rudning	Vice President - Program Management
E. J. Smith	Chief Flight Operations Engineering
J. E. Gallagher	Regional Marketing Manager

The purpose of the visit is to finalize plans and to complete detailed preparations for the demonstration of our Model AH-1J and Model 214 helicopters to the Imperial Iranian Armed Forces. This is in accordance with your letter dated April 18th to Mr. J. F. Atkins, President, and his reply dated April 25th.

By separate letter to Air Taxi, our representative, we have provided him with a detailed list of items that need to be reviewed, studied and resolved during our stay. These include such things as demonstration sites, schedules, transportation, supporting facilities and services, performance data, etc.

In advance of our arrival our representative will have alerted appropriate organizations and officials of our need to explore

GENV 37002056

2575 A TAXI TN

758229 BELL HELICOPTER CO FORT WORTH TEXAS MSG 47 5-4-72
 AIR TAXI CO TEHERAN IRAN 951 2575
 ATTN A H ZANGANEH

IN TELEPHONE CONVERSATION LAST NIGHT ALICE INFORMED THAT
 SUSY HAS NOT RECEIVED ATKINS' LETTER DATED APRIL 25 COPY
 OF WHICH WAS SENT TO YOU .
 PLEASE RECONFIRM BY RETURN TELEX THAT THE LETTER
 HAS IN FACT BEEN RECEIVED BY BOTH AND ADVISE THE REACTION OF EACH
 TO IT .

SYLVESTER
 BELLCRAFT
 ENDMC

⊕

2575 A TAXI TN

F. M. SYLVESTER

VICE PRESIDENT -
 INTERNATIONAL MARKETING

C. R. RUDNING

VICE PRESIDENT -
 PROGRAM MANAGEMENT

GENV / 37002057

E. J. SMITH

VICE FLIGHT OPERATIONS ENGINEER

FTW UI TELEX III 03 1546

#

BELLHCPTR FTW

9512575*

03/05 21.47

2575 A TAXI TN

758229 BELL HELICOPTER CO FT WORTH TEXAS MSG 36 5-3-72 330PM CST
AIR AIR TAXI CO TEHERAN IRAN 951 257

ATTN : A H ZANGANEH

PLEASE DELIVER THE FOLLOWING INFORMATION TO LT . GEN . H. TOUFANIAN ,
MR . H. DEHESH AND BRIG . GEN M. KHOSRODAD.

PRESENT PLANS CALL FOR THE FOLLOWING BELL PERSONNEL TO ARRIVE
TEHERAN ON FRIDAY , MAY 19TH .

F. M . SYLVESTER

VICE PRESIDENT -
INTERNATIONAL MARKETING

C. R. RUDNIG

VICE PRESIDENT -
PROGRAM MANAGEMENT

GENV 37002058

E. J. SMITH

VICE FLIGHT OPERATIONS ENGINEER

J. E. GALLACHER

REGIONAL MARKETING MANAGER

PURPOSE OF THIS VISIT IS TO FINALIZE PLANS AND TO COMPLETE DETAILED PREPARATIONS FOR THE DEMONSTRATION OF THE BELL AH-1J AND 214 HELICOPTERS . ALSO TO DEFINITIZE HELICOPTER SPECIFICATIONS AND TO ACHIEVE AN UNDERSTANDING OF MAJOR CHANGES TO THE PROGRAM MADE SINCE OUR PROPOSAL PRESENTATION IN TERMS OF QUANTITIES, SCHEDULES AND CO-PRODUCTION PHASING.

WE PLAN TO BE IN IRAN FOR A FULL WEEK DEPARTING ON OR ABOUT MAY 26TH.

ADDITIONALLY, PLEASE RESERVE INTER-CONTINENTAL FOR THIS PERIOD - TWO SINGLE ROOMS PLUS ONE TWO BEDROOM SUITE WITH SITTING ROOM AND CONFIRM TO BE BY RETURN TELEX .
A CONFIRMING LETTER FOLLOWS .

SYLVESTER

BELLCRAFT

ENMD

C #

2575 A TAXI TN

NNN

''''

05/03/72 1551EST 004.9

ITT UI TELEX III 05 03 1551

#

GENV 37002059

BELL HELICOPTER COMPANY
 POST OFFICE BOX 482 • FORT WORTH, TEXAS 76101

FRANK M. SYLVESTER
 VICE PRESIDENT-INTERNATIONAL MARKETING

May 4, 1972

Mr. A. H. Zanganeh
 Managing Director
 Air Taxi Company
 Mehrabad Airport
 Tehran, Iran

Dear Mr. Zanganeh:

Enclosed is a letter that should be urgently delivered to Lt. Gen. Toufanian and a copy for Mr. H. Dehesh.

Your copy is also enclosed.

Jack Gallagher will send immediately a list of items that need to be discussed with appropriate officials during our forthcoming visit. It is extremely important that all of these people be contacted and informed prior to our arrival.

We will rely on you to arrange a full and productive schedule from Saturday morning, May 20th, through the ensuing week, and would like to review that schedule with you immediately upon our arrival. Perhaps you could, by return telex, give me your preliminary thinking as to the people we must contact and a schedule that we can start planning around.

I look forward with a great deal of pleasure to this visit and particularly to seeing you and your associates once more.

Sincerely,



Frank M. Sylvester

FMS:pb-106

G 111

37002055

FMS

May 1, 1972

Our references
 FOL37002050

Mr. A. J. Zanjani
 Managing Director
 Air Taxi Company
 Mehriz Airport
 Teheran, Iran

Dear Mr. Zanjani:

Further to Mr. Sylvester's letter of May 4th, the following should provide you with a list of action items that need to be discussed during our intended visit on May 10th.

The main purpose is to present a demonstration outline and suggested scenario that all would like to demonstrate to the Imperial Iranian Ground Forces.

Meetings must be established prior to our arrival with the appropriate Iranian officials involved to discuss:

1. Specific demonstration dates, locations and schedules.
2. Establish a schedule to pick up the A1-1J and 214A at Fort Worth and transport to Iran via IIR C-130.
3. The availability of Imperial Iranian Ground Forces personnel that may be involved in the demonstration. Additionally, who will be the Iranian military coordinator?
4. What facilities will be available to us for such things as briefings to include slide and 16mm film projectors?
5. What accommodations are there for approximately 20 to 25 people at each location?
6. Can military vehicles and/or aircraft be utilized for transportation and support of personnel and aircraft?
7. Fueling requirements - source and delivery. Availability of standard Huey ground support equipment at each camp site, i.e., MPU - ground handling schools, etc.
8. Entry into and out of Iran.

GENV

37002050

continued....

Dr. A. H. Zanjani
 Air Taxi Company

May 5, 1977
 PDJSGD:cm:1150

9. We need to visit the proposed demonstration sites and survey appropriate areas. Incidentally, it is our intention to demonstrate live firing of the AH-1J Cobra and conduct staged counter assault.
10. Major and maintenance spares. (Will such equipment as a helo to reassemble aircraft be available upon arrival in Iran?)
11. Communications - type, frequency NAV aids.
12. Aircraft display and security.
13. Interpreters (if required).
14. Operations base, or bases.
15. Organizational chart which provides job titles, name and rank of Iranian Armed Forces Structure.

I look forward to seeing you soon and the establishment of a very successful program.

Best personal regards,

BELL HELICOPTER COMPANY

John E. Gallagher, Jr.
 International Regional Manager

P.S. Please give best regards to Khalil.

GENV 37002051

BELLY 189 08149

BELL HOPTER FTW

1105 VIA USA DFDFDFP

BELL HOPTER FTW

0570 A TAXI TN

MAY 3 1972	
SEARCHED	INDEXED
SERIALIZED	FILED
MAY 3 1972	
FBI - MEMPHIS	

BELL HELICOPTER CO FTW TEXAS

MAY 6/72

REF 138/72

HEREWITH REPEAT ABOVE REFERENCED MESSAGE.

ATTN SYLVESTER/GALLAGHER

REFERENCE YOUR MESSAGES 13 25 36 47 AND 48 AND FURTHER OUR TELEX NO 156/72.

AA WE DELIVERED PHOTOCOPY OF YOUR TELEXES 36/48 TO GEN TOUFANIAN MR DEHESH AND GEN KHOSROWDAD AS REQUESTED.

AC REFERENCE YOUR MSG 25 5-3-72 (942) MR DEHESH ASSURED US THAT NEITHER GRACE NOR RUSSIAN TEAM WILL INTERFERE BELL PROGRAM. HE STRESSED THAT YOU SHOULD NOT GET WORRIED, ON THE CONTRARY PROCEED CONFIDENTLY ACCORDING TO THE 'LETTER OF INTENT' NOW IN YOUR HAND.

AD REFERENCE YOUR MSG 47 5-4-72 AND OUR TELEX 156/72 MAY 4 1972, WE WISH TO STATE HEREBY THAT BOTH DEHESH AND WE HAVE RECEIVED YOUR LETTER DATED APRIL 25, REACTION OF BOTH PARTIES IS POSITIVE AND POSITIVE

AD WITH REGARDS IRANZAD - TAXI TAXI TEHRAN

0570 A TAXI TN

BELL HOPTER FTW

0570 A TAXI TN

GENV 37002049

NY 11, 1/2

REPLY

DO FOR YOUR INFORMATION / SUBJECT IS SUBJECT 212 BUT THEY HAVE
NOT YET SUBMITTED ANYTHING IN WRITING.

BEST REGARDS,

SARGENT

3 ENV 37002048

AIR TAXI CO.

Mehrabad Airport

TEHRAN

60257
Tel. 668972
661967

Telex 2575

Cable **TEHRAN AIR TAXI**

Date June 27, 1972

No. _____

Yr. Ref. _____



شرکت هواپیمائی ارتاکسی

فرودگاه مهرآباد - تهران

۶۰۲۵۷

تلفن ۶۶۸۹۷۲

۶۶۱۹۶۷

تکس ۲۵۷۵

تلهگراف: تهران ارتاکسی

تاریخ _____

شماره _____

Mr. Frank Colvettie,
Vice President - International Marketing,
Bell Helicopter Company,
P.O. Box 434,
Fort Worth, Texas 76101,
U.S.A.

Dear Frank,

Now that I am back in Tehran I wish to pen a few words of sincere appreciation at the wonderful hospitality you have shown to me during my rather busy trip to your country. It is always comforting to enjoy such moments during these troubled times.

You know, ofcourse, if there is anything you would like from Iran, you just have to let me know, and I shall do my very best to send it to you.

With many thanks, once again, and best wishes,

Yours very sincerely
M. Hafezi

INTERNATIONAL MARKETING DEPARTMENT	
JUL 6 1972	
Ref. No.	
Assign. to	<i>Hydrator</i>
Action	
Info Copies to:	
Vice President	
Market Development	
Administration	
Area Manager	
Regional Manager	
Washington Office	
File	<i>TRU 5-2</i>

GEN V 37002047



INTER-OFFICE MEMORANDUM

HORSLEY REPORT NO. 3June 28, 1972
F1:CPBH:pb-150

Jack:

I talked to Nic just after you did. I couldn't reach him before as he was not available.

He did emphasize to me that the Iranians hadn't as yet decided which way to go on training and, while he did give us all the information possible, he was not sure we would get a contract.

The Iranians are keen to involve the U.S. Army to the maximum extent.

I talked to the Bristow people the other day. They had just been given a further contract to double the number of pilot intakes. They are reasonably sure of being part of Gen. Khatami's empire. We may want to consider a joint pilot training scheme with them to guarantee a contract.

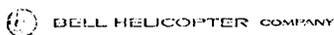
The MTS team arrived yesterday from ARADMAC. They will be here until mid-July. They should be contacted on their return.

Don Butler returned home yesterday. We had a good farewell party for him. He is off to San Antonio - 5th Army Hq. He will stop by to see you all in about two weeks. He is taking the slow way home through Europe. He hopes he will have a chance to meet Mr. Weichsel.

HIM has very positively edicted the helicopter program be completed in 5 years. WOW! It is a target that most people feel will be impossible to reach, but of course typical of the approach HIM must take to get anything done at all. He must push and shove for things greater than the ordinary mortal can imagine. As long as he can pay for it, I'm sure we can help him meet most of the objectives.

Messrs. McClaren and Gillies of UACL take their hastily prepared contract for 280 twin pacs to Dehesh's office this morning for signature. They expect to have it within 5 days. The contract does not become valid until September 1st. Dehesh talks of the J as 90% confirmed, and still as an FMS case.

GENV 37002045



Page No. 2

F1:CPBH:pb-150

The name "Blackhawk" still comes up in various quarters, though I can't put my finger on who is promoting it. Somebody is. It seems to be doing well back home.

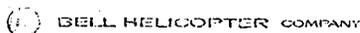
Ed Wyman left today for Tel Aviv. He had a good stay and stuck to the party line, though pointed out clearly that if the 214 came unstuck, the boat would rock with the Cobra. He wants to see the AH-1G here badly. He thought Corrado would be in town also, but definitely he is not.

Iranian Army Air are starting massive enlistment drives in the colleges and high schools for pilots, etc., and Maj. ___?___ has asked me for lots of color photos of UH-1H, OH-58A and Cobras, plus a bunch of lithos (both large and small). Also any old calendars would be of great help. Could you air mail to me through Air Tax? As many as possible. Many thanks.

Best regards,

C. P. B. Horsley

GENV**37002046**



BELL CONFIDENTIAL

HORSLEY REPORT NO. 4

July 13, 1972
 Fl:CPBH:pb-157

All remained relatively quiet in Teheran now that Agusta has gone home for a few days. Masseroni and Russell were the two key figures here. They presented extensive plans for the factory as strictly a maintenance facility - moved well away from the co-production concept. This may have been in part reaction to the presence of the 7 man MTT team, which Corrado took great offense to. I talked to the team last night. While they had cooperation from the factory people, that was about all they could recommend. They return to Corpus on Friday, and then return in September to give recommendations, etc., which they feel will be implemented - thus no decision on the factory until October at the earliest.

It seems the 212 will be evaluated alongside the 214, both at the Iranian (Dehesh) and Agusta wish. Dehesh sounded like a good Agusta salesman the other day. Engine compatibility with J; cheaper; will fulfill 90% mission spectrum, etc. Even went so far as to say that Agusta could subcontract to Bell to build. But, in a typical Dehesh manner, half an hour later he was talking of buying all the 214's needed direct from Bell, and 205's from Agusta, with no mention of a 212! No doubt it is just some pressure being exercised for various reasons. Makes Dehesh look good in Corrado's eyes to push 212 - a stick to Bell for both Iranians and Corrado, who no doubt wants to strengthen his position as much as possible before any final Bell-Agusta discussions.

The Navy 212 situation is clarified in that 6 + 6 have been ordered to date, but the final order will be up to 36 to meet the Navy five year plan.

The letters arrived safely last Sunday and were all hand delivered. I also discussed the plans with Gen. Khosrodad. There is some friction between Khosrodad and Gen. Toufanian's office. Both say the other is responsible for the evaluations. I sorted it out with Dehesh, but he firmly maintains he did not want them in the first place! Crazy! Toufanian will now officially request Khosrodad to evaluate the aircraft. Toufanian also will ask MAAG to monitor the tests (and submit report to him). Nick Diron will be assigned the job.

P&W still await their contract signature. In typical fashion, it is approved to go up the hill every few days for ratification, but never seems

GEN 37002039



Page No. 2

F1:CPBH:pb-157

to quite make it. Hopefully, it will be signed by the end of this week. 280 twin packs at \$154,000 p.u. (McLaren has returned without contract - FMS).

Dehesh stands firm he does not need the \$60 million allocated for BHC purchases. He claims massive commercial credit. He has not had official notification of its availability for his purchases, so I guess he doesn't want to step on any toes and will await H. E. Ansan's return and then notification. I will try again then.

Zanganeh returns from Europe tomorrow and I will try and get him to send the contract immediately. Khalil says he cannot take action and must await Zanganeh.

I fly to Beirut tomorrow to meet with Hunt to organize our new Lebanese and Qatar offensive. It sounds very promising.

C.P.B. Horsley

NOTE

Subsequent communication from Horsley informs that Corrado arrives Teheran on Saturday, July 15th, which would give him a full working week there prior to the July 19/20 meeting with EJD.

FMS

GENV**37002040**

THE FEDERAL RESERVE COMPANY

Dear Banks, Excuse the hand written report but have no trusty secretary available to type and my efforts are strictly confined to single page excursions.

It brings to mind a point whether you have considered the possibility of bringing a full secretary for the various efficiency and security advantages? I don't doubt there will be a fair amount of typing, calls to make etc later in the month.

All remains relatively quiet, see in Tolosan, now that Agosta have gone home for a few days at least. Masseroni & Russell were the two key figures here. **GENV 37002041**

They presented extensive plans for the factory as strictly a maintenance facility — moved well away from the contracting concept! This may have been in part reaction to the presence of the 7 man part team, which Lici, I believe, took great offence to. I talked to the team last night. Whilst they had good cooperation from the Agosta people, that was about all they could recommend. They return to Corpus on Friday, and then to return in September with full recommendations etc, which they feel will

can my mind is to be as plain
factually as I can be at the earliest.

It seems the 212 will be evaluated alongside
the 214, both at the Hawaiian (Debank) and
Agosta visits. D. seemed like a good
Agosta salesman the other day. Engine
capability with J, some cheap, will
fulfill 90% mission spectrum etc. Even
went so far as to say that Agosta could
sub contract to Bell to build. But in
a typical D. 130° manœuvre half an hour
later, he was talking of buying all the 214's
needed direct from Bell, and 20% from Agosta,
with no mention of a 212! ~~the~~ No
doubt it is just some pressure being exercised
for various reasons. Makes D. look ~~too good~~
in Cici's eyes to push 212 — A stick to
Bell for both Hawaiians bc Cici, who no
doubt wants to strengthen his position
as much as possible before any final
Bell-Agosta discussions.

The Navy situation is clarified in that
6 + 6 have been ordered to date, but
the final order will be up to 36 to
meet the Navy 5 year plan GENV 37002042

The letters arrived safely last Sunday
and were all hand delivered. I also
discussed the plans with Gen. K. There
is some friction between him & Gen. T.

... saying the other is responsible for
 maintenance. I sent it out with 2,
 but also of course, Rudy maintains he did not
 want them in the first place! Crazy!
 T. will now officially request K. to evaluate
 the alt. T. also will ask ^{me} to monitor
 the center. ^(and submit report to him) Vic will be assigned the job

Pg is still awaiting their contract signature.
 In typical fashion it is supposed to go 'up
 the hill' every few days for ratification but
 never seems to quite make it. Hopefully it
 will be signed by end of this week. 280
^{minus new}
^{expenses} at \$150,000 p.v.

D. stands firm he does not need that
 \$6000 allocated for home purchase. He claims
 massive commercial credit. He has not had
 official notification sites of its availability for
 his purchases, so I guess he does not want
 to step on any toes and will await H.C.
 Ansari's return and then notification. I will
 try again then.

GENV 37092043

Z returns from Europe tomorrow and
 will try and get him to send the contract
 immediately. Khalil says he cannot take
 action and must await Z.

I fly to Beirut tomorrow to meet with Dick
 over the Iranian issue to organize our new
 Lebanese and gather expenses. It sounds
 very promising.

I would naturally like to have
 for the first of the Arabian campaign,
 but it may depend on activities in
 the Gulf and elsewhere and also if
 we could have a Bob Moore or something
 for a couple of months to assist in
 Bombay.

I will be visiting Kuwait, Qatar and
 Dubai when Jack arrives, and maybe
 it will not ~~be necessary~~ need another
 visit until later in the year.

Helena has been enjoying this last
 month and I find it a most pleasant
 most enjoyable company — along with all
 his friends, I guess! My lovely ~~daughter~~
 girl has decided life with a roaming East India
 in two weeks and she is heading back
 to California to fly the Pacific. So again I'm
 a free man! It is great shame, really, but
 it's a life. The ocean is well stocked, though.

Happy July 4. Hope all is tracking well
 in Ft. Worth and I look forward to
 seeing you soon.

Best regards

Chris Husley

GENV

37002044

AIR TAXI CO.

Mohrabad Airport

TEHRAN

40257
Tel. 648992
661967

Telex 2575

Cable TEHRAN AIR TAXI

Date July 13, 1972.

No. S/13/1163

Yr. Ref. _____



شرکت هواپیمایی ارتاکسی

فرودگاه مهرآباد - تهران

۴۰۲۵۷ }
۶۶۸۹۹۲ } تلفن
۶۶۸۹۶۷ }

تلكس ۲۵۷۵

تلگرافی : تهران ارتاکسی

INTERNATIONAL MARKETING DEPARTMENT	
JUL 19 1972	
Ref. No.	<u>716</u>
Assigned to	<u>[Signature]</u>
Action	<u>[Signature]</u>
Info. Contact for	
Vice President	
Market Development	
Administration	<input checked="" type="checkbox"/>
Area Manager	<input checked="" type="checkbox"/>
Regional Manager	
Washington Office	
File	<u>IR/13-1163</u>

تاریخ
شماره

Mr. F. Sylvester,
Vice President - International Marketing,
Bell Helicopter Company,
P.O. Box 482,
Fort Worth, TEXAS 76101,
U.S.A.

Dear Mr. Sylvester,

I must apologize for the delay in answering your letter of June 16, 1972, which was due to my absence from the country.

After careful consideration and consultation, some changes have been made, which I hope will meet with your approval.

I hope you appreciate that Bell Company's commitment to me is based on many years of diligent effort by myself and members of my staff, as documented by regular correspondence between us. This effort, I am sure you will agree, is partially responsible for your success with the Imperial Government of Iran be it direct or Government to Government.

In view of the above, I cannot agree to make my rights subject to the arbitrary decision of the U.S. Government.

As the initial Letter of Intent was signed on April 18, 1972, may I suggest that Amendment No. 1 dated April 1, 1972, be back-dated so that any misunderstanding or complications may be avoided.

Please find enclosed the revised Amendment No. 1 which I have signed accordingly. I look forward to receiving the counter signed amendment and also seeing you in Teheran soon.

Best personal regards,

Yours sincerely,
AIR TAXI COMPANY,

[Signature]
Managing Director.

mgm

GEN 67002034

Inter-Office Memorandum

July 10, 1972.

Memo to: Mr. A.H. Zangeneh
 Copies : Mr. F. Sylvester ✓
 Mr. K. Iranzad

Subject: Arrival of IIAF C-130s to Fort Worth's Carswell Air Force Base for the purpose of transportation of the Bell Model AH1J and 214A Helicopters to Iran.

As it is of the utmost importance that the C-130 transport aircraft arrive in Fort Worth (Carswell Air Force Base) on schedule for obvious reasons, please exercise your maximum effort/influence to ensure that the IIAF make the necessary preparations to effect arrival of the two C-130 aircraft on the 27th July, 1972. Further, please obtain confirmation of this in writing.

You will recall that yesterday, July 10, Mr. Lelesh informed us that there would be a two-week delay from the originally requested aircraft arrival date of the 27th. I am sure you will agree that this is totally unacceptable and, therefore, immediate action must be taken to effect proper scheduling.

I notified General Williamson (Chief U.S. Maag) of the above conversation with Mr. Lelesh and, in turn, the General has solicited Maag's assistance in this regard.

Your cooperation is deeply appreciated.

John E. Gallagher Jr.,
 Regional Marketing Manager.

INTERNATIONAL MARKETING DEPARTMENT	
JUL 26 1972	
Dist. No.	
Approved	<i>[Signature]</i>
Action	<i>[Signature]</i>
Info. Given to:	
Vice President	✓
Market Development	
Administration	
Area Manager	
Regional Manager	
Washington Office	
File	TRN 2-5

*Maybe you should advise
 each Co of C-130 status.*

[Signature]

GENV 37002015

TO: DIRECTOR
FROM: MR. F. SYLVESTER
SUBJECT: [Illegible]

INTERNATIONAL MARKETING DEPARTMENT	
JUL 20 1972	
Ref. No.	
Approved	
Active	
Info Copies to:	
Vice President	
Marketing	
Administration	
Ass. Mgr.	
Regional	
Washington	
File	

TO: MR F SYLVESTER

RE: MSG 127 7-19-72 HORSLEY NOT IN COUNTRY AS HAVE ADVISED MY.
REF: 7-17-72 REF 249.

CONFIRM THAT SIK DOES NOT HAVE ANY EQUIPMENT IN SCHOOL AT PRESENT TIME AND IS NOT ENVISAGED FOR NEAR FUTURE. HOWEVER, SIK HAS STRONG REPRESENTATION IN SCHOOL THROUGH CONSULTANT OF RETIRED U.S. CAPT WHO WAS ASSOCIATED WITH JANE IN OLD DAYS (DELTA-ROMEO-ALFA-DINAEER LIMA DEAR-2 INDIA-PARA-REVERSED) EVENTUALLY SIK MAY POSSIBLY SHOW EQUIPMENT BUT MARTHA ADVISES NOT LIKELY TILL EARLIEST 73.

REF YOUR MSG 132 7-19-72 NU SUB NO PROBLEM REF A PATTERSON.

PLEASE ACKNOWLEDGE RECEIPT MY TELEX 249 7-17/ 256 7-18/ 257 7-18.

REGARDS GALLAGHER

MR F SYLVESTER

MR A TAXI TR

GENV. 37002014

ITT 07 20 0031

BELLHCPTR FTW
9512575*
AUTO-RETRY

AUTO-RETRY

AUTC-RETRY

RETRY ENDS
TYPE 5 COMMAS FOR NEW CALL

ITT 07 20 0101

*
BELLHCPTR FTW
9512575*

20/07 08.04

2575 A TAXI TN BELL HELI

*
2575 A TAXI TN

758229 BELL HELICOPTER CO FTW TEXAS MSGNO 132 7-19-72 1150PM
9512575 A TAXI TN
TEHRAN IRAN

GENV

37002010

TELEX

1 JULY 23, 1972
10:00 PM

TO: 2575 AIR TAXI TN
 FROM: AIR TAXI COMPANY
 TEHRAN, IRAN
 ATTENTION: J. GALLAGHER
 REF #997

PER YOUR REQUEST, FOLLOWING INFORMATION IS PROVIDED:

	<u>NAME</u>	<u>DEPARTURE DATE</u>	<u>FLIGHTS</u>	<u>ARRIVAL DATE/TIME-TEHRAN</u>
AA	E. J. SMITH	22 JULY	DALLAS/JFK AA #350 JFK/FRANKFORT TWA #740 FRANKFORT/TEHRAN IR #720	24 JULY / 2300 HOURS
BB	JAKE BROWN	27 JULY	DALLAS/JFK AA #350	29 JULY / 12:15 AM
	CLEM BAILEY	26 JULY	JFK/ATHENS TWA #800	" "
	ROGER HUFFAKER	26 JULY	ATHENS/TEHRAN KLM #507	" "
	LES WELD	NOW IN ATHENS		" "
	CLIF BURCHETT	NOW IN ATHENS		" "
CC	DAVE GLIDDEN	29 JULY	DALLAS/JFK AA #350	30 JULY / 9:50 PM
	WARD CARSTENSEN	"	JFK/FRANKFORT TWA #740	" "
	SCOTT GEORGE	"	FRANKFORT/TEHRAN PAN AM # 2	" "
DD	<u>GENERAL ELECTRIC</u>			
	LOU BREZEE	-----	FRANKFORT/TEHRAN PAN AM #2	30 JULY / 9:50 PM
	GEORGE SINTZ	-----	FRANKFORT/TEHRAN PAN AM #2	30 JULY / 9:50 PM
	DARRELL CAMPBELL	-----	BREZEE/SINTZ WILL KNOW ARRIVAL TIME	
EE	<u>BENDIX</u> - JAMES HILL	-----	FRANKFORT/TEHRAN PAN AM #2	30 JULY / 9:50 PM

GENV 37002008

continued....

PHO: 2757 AIR TAX.
 OFFICER: J. GALLAGHER

PAGE TWO

<u>NAME</u>	<u>DEPARTURE DATE</u>	<u>FLIGHTS</u>	<u>ARRIVAL DATE/TIME-TEHERAN</u>
<u>INCL</u>			
RICHARD MCCLAREN	NOT KNOWN	NOT KNOWN	8 AUGUST
PETER BRUGHANS	NOT KNOWN	NOT KNOWN	1 AUGUST
<u>LYCOMING</u>			
KEN STRYKER		BOAC #812	31 JULY / 12:01 AM
ACCOMMODATIONS FOR STRYKER COORDINATED BY CHARLES YOUNG, LYCOMING REP, IRAN.			
HH MCIZE/SYLVESTER/T. JONING. ARRIVAL TIME, ETC. ALL PENDING AND WILL RELAY AT LATER DATE PER FMS DIRECTION.			
II D., J. 3RD AND L. SEND ALL THEIR LOVE.			

TOPPING
 BELLCRAFT

G JNV 37002009

.. 07 20 1602

HELICOPTER FTW

9512575*

20/07 23.06

2575 A TAXI TN

758229 BELL HELICOPTER CO FT WORTH TEX MSG 146 7-20-72 405PM

951-2575 TEHERAN IRAN

ATTN J GALLAGHER

REUR MSG 264/72. ITEM CC.

WE HAVE RECEIVED YOUR TELEXES 249, 256, AND 257.

SYLVESTER BELLCRAFT

END BL@

2575 A TAXI TNV

GENV 37002007

BELL HOPTR CO FTW TLX 758229

INTERNATIONAL MARKETING DEPARTMENT	
JUL 29 1972	
Ref. No.	_____
Assigned	_____
Action	_____
Info C. O. No.	_____
Vice President	_____
Marketing Manager	_____
Area Manager	_____
Regional Manager	_____
Washington Office	_____
File	_____

MR. SYLVESTER

YOUR TELEX 193-

AA NO PROBLEM.

BB ONLY BALLAST REQUIRED WILL BE THAT TO OBTAIN PROPER EMPTY WEIGHT C.G.

CC AM USING MAX EFFORT. *AIR TAXI* ~~JOE~~ WILL SIGN AGREEMENT AFTER CONSULTATION WITH ~~ALICE~~. *MR. DEHESH*

DD SUBJECT

AA URGENTLY NEED DESCRIPTIVE LIT AND PHOTOS OF AIRCRAFT IN PROPOSAL TO ACCOMPANY FIRST ARRIVAL.

REGARDS GALLAGHER

2575 A TAXI TN

*

BELL HOPTR FTW

GENV 37002003

2575 A TAXI TN
2575 A TAXI TN

2575 A TAXI TN

2575 A TAXI TN

2575 A TAXI TN

2575 A TAXI TN

2575 A TAXI TN

ATTN SYLVESTER/MITCHELL

INTERNATIONAL MARKETING DEPARTMENT	
JUL 31 1972	
Ref. To:	
Assigned:	
Action:	
Info Co.:	
Rec'd:	
Electro:	
Admin:	
Area In:	
Region:	
Working:	
File:	

AA ALL TEAM MEMBERS HAVE ARRIVED.

BB ~~ARE~~ ^{MR DENNIS} EXPECTED IN-COUNTRY TOMORROW.

CC HAVE REWRITTEN EVALUATION PLAN SPECIFIC CHANGES PROVIDE BETTER ADVANTAGE FOR ~~BASE~~ ^{BASE} ON AUTOROTATION.

DD HAVE BEEN PUSHING ~~MAX~~ ^{AIR FORCE} EVERY DAY REGARDING C-130. ~~SEE~~ ^{AIR TAXI} ALSO USING MAX EFFORT. WHAT IS STATUS IN FTW?

EE FMS PLEASE BRING ADDITIONAL DOLLARS FIFTEEN HUNDRED.

REGARDS GALLAGHER

GENV 37002001

2575 A TAXI TN

COPY OF THE HORSLEY MEMORANDUM

(THE FIRST VERSION WAS INCLUDED IN THE
DOCUMENTS SUBMITTED BY MR. HAWKE ON JUNE 16, 1978.)

INTER-OFFICE MEMORANDUM

March 17, 1971

CPBH:JH:319

BELL CONFIDENTIAL
BELL EYES ONLY

To: F. M. Sylvester

Subject: TRIP REPORT - IRAN - FEB. 20 - MARCH 12

Much of this report stems from confidential and sensitive sources, and should not be openly revealed.

1. BACKGROUND AND PRESENT STATUS

Iran, with a population of 30 million people, covers 600,000+ square miles of semi-desert with hot, high and dusty conditions. It is ideal helicopter terrain with ill-defined borders, oil to protect, and guerillas to fight. The Shah is a great helicopter exponent, who a few years back called for 150 helicopters to be procured as fast as possible. The Imperial Flight Hangar contains 6 helicopters, and he pilots them regularly himself.

The defense budget has increased 100% in the last four years, and for 1971-72 has increased 30% to over \$ 1,000 m. The recent Teheran oil talks guaranteed an extra \$ 3,600 m over the next five years, and annual 30% Defense Budgets are predicted.

Contracts worth near \$ 200 m were signed with Agusta for 100 206A's, 44 205A's, 16 CH-47's and 6 SH-3D's, to include training, support, etc., and participation in a "factory."

The 206A's and 205A's were supposed to be all in-country by the summer of this year. Deliveries are 6 months behind schedule, with approximately 30 206A's and 15 205A's yet to be delivered. 30 206A's were traded off last year for a further 8 205A's. See attachment (1) for the status on deliveries.

GENV 37002264

See also attachment (2) for reference to names as mentioned through the report.

2. BELL REPRESENTATIVE - AIR TAXI COMPANY

Air Taxi Company is situated on the main airport/base perimeter in Teheran, and employs nearly 200 persons (incl. 25 pilots), operating 14 Aero Commanders, 5 Turbo Commanders, 5 DC3's, 7 Pipers, 2 Cessnas, and 1 Turbo Beaver. Activities include non-scheduled passenger and cargo charters (esp. Civ. Gov't.), photographic and agricultural operations, with light aircraft maintenance carried out at the main facility. Issued capital is 50 million rials (\$ 3/4 m), and the chairman and managing director is Mr. A. H. Zanganeh. The one named director is A. Chafik (Prince Shakriar Chafik's father), but the real influence behind the company is General Khatemi, the Air Force Commander-in-Chief. As a serving officer, he officially is not allowed to hold offices outside his military capacity, but in reality, anything that flies he has an 'interest' in. As for instance in Iranian Helicopters - the Bristow Company's operating 47's, 206A's, W.W. III's and Alouette III's.

When the Shah was forced to flee the country back in 1953, two key men helped him - Khatemi (his pilot) and Taufanian. On the Shah's return to power these two men were given the two most powerful jobs, Khatemi - all aircraft; and Taufanian - all ground forces, military procurements, production and the arsenal. With these two key men the Shah is well protected.

Since the early 1950's, the politicians have grown in influence, but still tend only to be mouthpieces and administrators, not trusted by the loyal generals.

The Sales Manager for Air Taxi is Mr. Khalil Iranzad. More helicopter orientated staff are needed. Whilst being Bell's representative, they also represent Aero Commander (the only fixed wing twin in-country),

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37002265

GENV

Westinghouse, Avco Lycoming, Sunair, King, de Havilland, Hawker Siddeley, etc. With Avco Lycoming alone they have done \$ 3 m worth of spare parts, overhaul business, etc. with the L-13 engine. All Iranian Armed Forces Lycoming engine orders now go through Air Taxi.

Mr. Zanganeh had done little to promote the Bell name over the last few years, having felt totally defeated by Agusta in the original play-off. He fast became involved and was most helpful.

3. PROBLEM AREAS

The first few days were spent meeting members of all the Armed Forces and MAAG. The story was general but the same. Agusta were unable to live up to their contracts, and the situation little sort of chaotic. The following points were the most recurring and worrying to them.

- A) Spares shortage. Whilst the contract specified 1,000 hours of spare parts per aircraft, inadequate logistics planning and scheduling had taken place and aircraft were running out of spares at 200/300 hours. The MAAG suggested that 1,000 hours of spare parts were possibly converted to a monetary amount. He said he could show me at Esfahan, the main Army base, complete airframes that had been delivered as spare parts as part of the 1,000 hours package, i.e. high cost/time items in inventory not high usage ones.
- B) No Agusta top level representation in-country. When problems arise, when information is needed, when an aircraft is grounded, letters and telexes must be sent to Italy that are rarely answered in a workable time frame.
- C) The 206A does not perform its full mission. The main base at Esfahan is at near 6000 ft. (as is Teheran). With summer temperatures of 100°+ even the basic training mission of I.P. + student is having to be flown

- 3 -

GENV

37002266

before sunrise. Inadequate consideration had been given to the operating conditions, and the aircraft overloaded with accessories, including armor seats. They now have 70 C-20 engines on order, and the MAAG suggests a program to convert the helicopter to 206A-1's utilizing the new "factory."

- D) The training is referred to as below minimum for military pilots. No tactical, instrument, night or formation flying experience is given. It may be said though in all fairness that the type of recruit available for training is low.

A Colonel Caffero was sent from Italy to be Head Instructor at the flight training school at Esfahan. Lt. Col. Estes of the MAAG, thought the contract price high at \$ 240,000 for 2 years. The Colonel crashed three aircraft, tried to run the base, later attempted to move it to Teheran where his girl friend lived. The Iranians finally requested that he leave the country.

Normal pilots are apparently contracted at \$ 100,000 p.a. and Tech Reps at \$ 70,000 p.a. and MAAG feel this is above norm.

- E) The Factory (to use the local expression), is now finished, (see photos), but nobody knows what practical plans exist. The only activity was a class of Iranian students learning Italian. People talk of 3rd/4th echelon maintenance, assembly, etc., but an enormous amount of effort is going to be needed. I had three separate tours of the facility, the final one by Engineer Taufanian (the General's brother in charge of all a/c manufacturing). It was most impressive, everybody was very proud, but at the same time they grasped at every word one uttered, every suggestion one made, lacking assistance and direction.

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GENV

37002267

Agusta have a 30% share in the facility, and promised six months ago that someone would be sent immediately to take up the key position and start the program.

A list of items was given to me by the Iranians asking BHC for prices and lead times of parts, machines, etc. they were having difficulty procuring. Most of the heavier machines in storage there had come from Czechoslovakia.

- F) Fourteen Blue Ribbon engines were ordered through Rolls Royce - via Agusta - only 6 actually arrived in-country, the remainder were standard engines.
- G) In-country mechanic training started 6 months late, and what training is given is of a poor quality.
- H) MAAG feel the Iranians have been sold a dud armament system for the 205A using the MG3 German gun, soft mounted, and through recoil problems constantly jamming. Apparently it is a system that even the Italian Government wouldn't buy. Emerson have since shown Agusta the M-21, which activated the Shah himself into giving Agusta two weeks to fix the system, or have the contract cancelled. The two weeks has recently been extended to the end of April. Nobody believes it possible to fix, and the M-21 system is as good as sold.
- I) The CH-47 program apparently is chaotic. This program is costing \$ 59 m for 16 a/c, including training and 5 spare engines. The FMS offer was \$ 35 m with 16 spare engines. Iranians are looking into ways of cancelling this contract.
- J) Lycoming have three Reps in-country, who confirmed that all three services were most unhappy with Agusta support. They no longer ship spares for Iran through Agusta, but directly through Air Taxi Co. This

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GENV

37002263

was because some of the initial \$ 1/2 m spares order sold to Iran through Agusta never appeared, and corroded new T-13 engines arrived in-country via Agusta apparently having been used, then repacked and not preserved. They were delivered as new engines.

X) Colonel Vari, Commander of the Navy Aviation Section, told me that up to January 1971, only 13% of what was laid down in IIN contract had been delivered. He stated that as soon as the contract was fulfilled, supposedly by June 1971, he would procure from Bell.

He also quoted a 205A delivered with leaking fuel cells. On investigation it was discovered that this new aircraft had old patched fuel cells.

4. MAAG

About six months ago the ARMISH-MAAG became truly involved at Iranian request. Since then all personnel from General Twitchell down has become deeply involved and these general objectives have been formulated.

- I. Go to any source possible to achieve the support and training.
- II. Help plan for additional aircraft.
- III. Specifically train enough pilots to enable them to take on ground duties, to be prepared for the additional aircraft when ordered.

To this end MAAG made three major recommendations, all of which have been accepted.

- I. A Technical Assistance Team of five civilian specialists to arrive April 1, to evaluate and advise.
- II. An M.T.T. team of 4 pilots into country for 90 days, to assist in tactical training, mission planning, etc.
- III. Send 90+ pilots to United States for complete military training, and

GENV 37002269

§ 3.2 FMS letter of intent has been signed.

LTC Estes has drawn up a 3 year plan of procurement/operation with 3 phases.

<u>YEAR</u>	<u>TO ESTABLISH</u>	<u>with 206A</u>	<u>205A</u>	<u>209</u>
1971/2	4 Air Cav. Bat.	3 12	3	-
1972/3	4 " " "	4 16	6 7	-
1973/4	10' " " "	4 40	6	4

This calls for a further 20+ 205's and 40 209's. This is a firm requirement, based on the Iranian determination to establish the best and strongest force in the Middle East. The Iranians definitely prefer not to deal FMS, but if they have to they will. However, if Bell wants to consider any direct sale, with MAAG pushing to sell FMS - (They recently tried to sell 150 OH-13's to the Iranians)- they must respond fully to the Iranian requests.

It is, in any case, the ambition of MAAG to help through complete disenchantment with what has taken place.

At this moment the Iranians want as much HueyCobra information as possible to start their planning, etc. General Taufanian welcomed a full scale BHC briefing, which was endorsed by MAAG.

5. IMPERIAL IRANIAN ARMED FORCES

I. Imperial Iranian Navy (IIN)

Prince Shariat Chafik is a key man in the IIN, having direct access to the SHAH, and will probably be C-in-C within 5 years. He also is insisting that future procurement for spares and aircraft come from BHC, and in this regard Air Taxi are in negotiations with the Navy for starting such a spares support program.

The Navy will be sending two engineer Lieutenants to Bell for 3 months maintenance and overhaul courses starting July.

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GENV 37002270

The Navy will soon have 12 206A's, 4 205A's and 6 SH-3D's. They also operate 6 SRN6's and have 6 SRN7's on order (the 200 passenger variety). They intend to expand, and plan a further 8 205A's and 6 AH-1J's. This is as recommended by the MAAG.

II. Imperial Iranian Air Force (IIAF)

Presently operate 16 Kaman HH43B's and will be receiving some 206A's for VIP work. They also operate F-4's, F-5's and C-130's (second largest C-130 force outside USAF). The Kamans could eventually be replaced by 212's.

III. Imperial Iranian Army Aviation (IIAA)

The major operator, with over 40 205A's and 45 206A's due in service. They have the most trouble supporting their aircraft, and have obtained from MAAG a computer read out from St. Louis (for \$ 300) of recommended airframe stock.

Avco Lycoming directly submitted a proposal for engines, not going through MAAG or Agusta, which was accepted. The relationship between Lycoming and IIAA is excellent, with 3 Tech Reps on contract.

Major Tohidi, Chief of the Army Aviation Procurement asked for a similar proposal from Bell for recommended spares holding at one depot for 50 206A's - for 1 year (first year of operation) flying 300 hours p.a. - airframe and engine (if possible). Exactly the same as for 50 205A's - airframe only.

He also wishes to procure from BHC as soon as the present contract has been fulfilled. This also was the sentiment of Gen. Gandehavi, C-in-C Army Aviation.

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GENV 37002271

IV. Imperial Flight Hangar

A very impressive operation commanded by Colonel Shafaat Pouré (IIAF), flying 4 205A's and 2 206A's. He was promised delivery of 2 212's for December 1970. He stated the Shah was now going to visit CAGA to inspect his first aircraft. Though they have had an occasion to wait up to 4 months for spares, the service provided was otherwise good. The Colonel has visited Dallas - Fort Worth area on numerous occasions, and has seen the Bell plant and expressed positive interest in being able to deal with Bell.

It may be worth pointing out at this stage that 90% of the people one talked to were under the illusion that they were not able to procure from Bell, U.S. I clearly explained to them the licensing situation and that the only aircraft that could not be procured from BHC was the Bell Model 212.

V. Red Lion and Sun

An organization equivalent to our Red Cross, operates Aero Commanders, and recently procured a 205A for mountain rescue and ambulance work inter-hospital transportation, VIP missions, etc. The Commander is Major Haji Moniri. He works closely with Air Taxi and disclosed plans to procure 5-10 206A's in ambulance configuration, with the C-20 engine, with delivery about a year from now.

VI. Procurement - M.I.O.

Mr. Dahesh is Assistant Chief of Procurement to General Taufanian, who has of late been losing favor through one or two badly conducted programs, etc. (The Agusta deal is one of them, and confidential sources indicated that a public scandal might break out, unless solutions were found fast).

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GENV 37002272

Mr. Dahesh was put into his position by the Shah personally to establish in the procurement division some technical and economic rationale. He is a youngish man having made a fortune in business with IBM and Westinghouse agencies in Iran, and attracted the Shah's attention.

Dahesh was emphatic about the problems Agusta were causing, and that his main mission was to enforce the contracts, but then never make another one with them. He would like to do all future business with Bell. He thought that Bell, with excess capacity and having the military approach, was the only obvious choice for the future. We discussed all this with the General, who agreed.

The first stage of the Iranian helicopter procurement plan was near completion, and now they should look elsewhere for the second stage. He indicated a strong interest in the HueyCobra, and wanted Bell to help with the factory, and future support, etc. He stated a keen desire to discuss these ideas and open up alternatives, with Bell Management in mutual confidence. He expressed his determination to rid the country of Agusta, cut their losses and turn elsewhere. He disclosed that top level meetings had taken place in Iran to discuss possible ways of terminating contracts (including the CH-47's) and buying Agusta's share in the "factory." An alternative needs to be found. In this regard, both General Taufanian and Dahesh visited SNIAS last year.

April 17th was tentatively suggested for a full Bell visit, with an AH-1G presentation.

SUMMARY

The Iranian Military Industrial Organization and Armed Forces have asked for

- 10 -

GENV

37002273

BHC participation in support, training, procurement, and contributions to a facility (parallel to Northrop's). They feel this will determine the success or failure of all their helicopter programs.

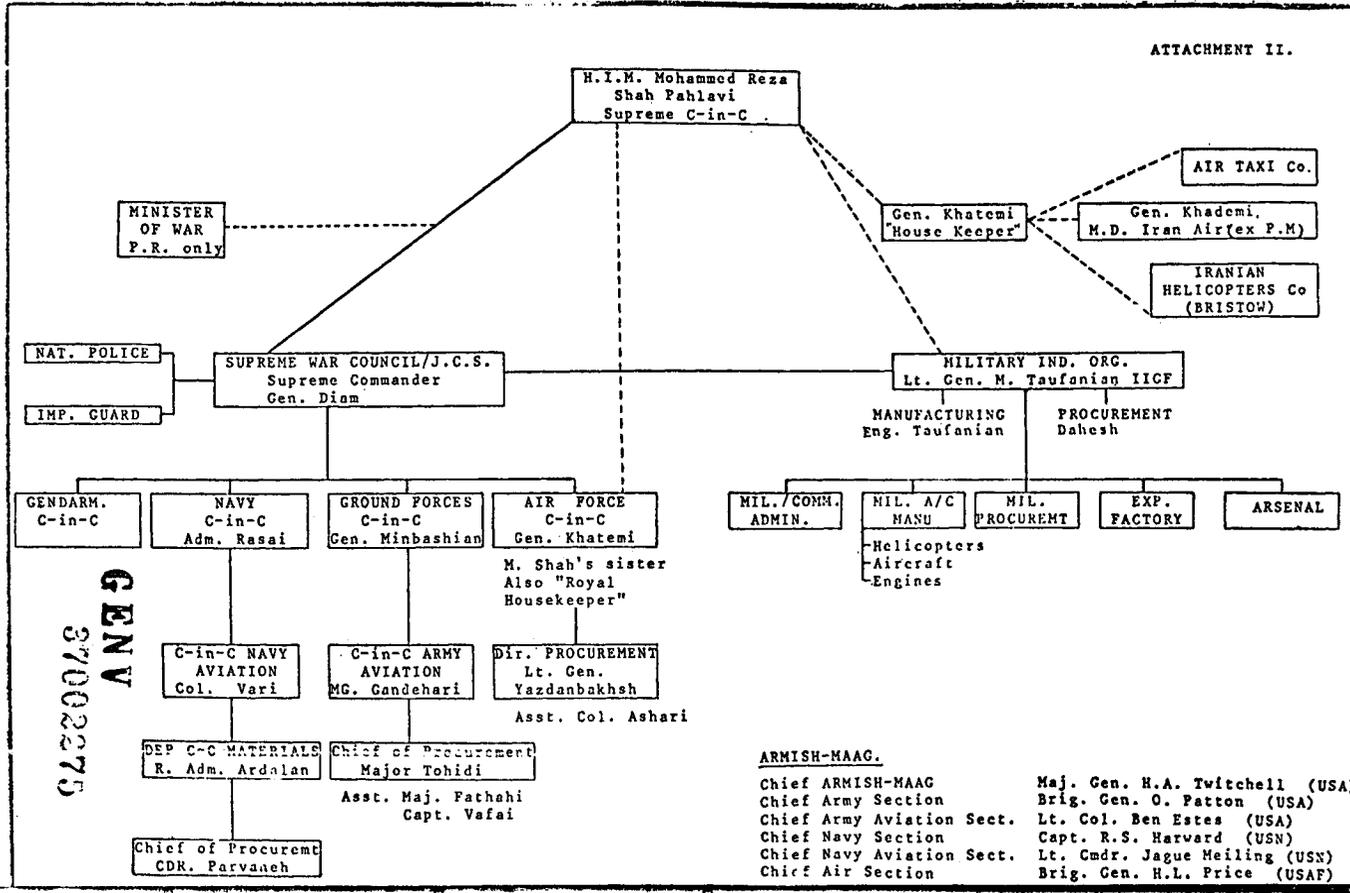
The next two years will be a time of consolidation for the Armed Forces, but the general plan is for all the helicopter branches to expand as fast as reasonably possible. By the end of 1971 these will be near 200 helicopters in-country, and by 1975 they intend to double it, with the introduction of the HueyCobra (40+), and the 212 (25+) and more 205A's (50) and 206A's (25).

The Shah has ordered all Government Ministries to procure helicopters; thus the civil government market has potential for police work, power and pipeline patrol, VIP work, etc. The Ministry of Agriculture alone are already considering the purchase of 50 helicopters for agricultural purposes. As the military helicopter market expands, so will the commercial, and indeed those of nearby countries.

C. P. B. Horsley

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GENV 37002274



GENV
 37002275

ATTACHMENT I.

IRAN

HELICOPTER STATUS OF PRESENT PROCUREMENTS
AND FORECAST REQUIREMENTS 1971-76

	<u>DELIVERED</u> (incl. A/C at CAGA for Train- ing)	<u>ON ORDER</u>	<u>TOTAL</u>	<u>1971-76</u> <u>FORECAST</u> <u>REQUIREMENTS</u>
<u>I I A A</u>				
206A	24	21	45	10
205A	27	13	40	40
212				10
209				40
<u>I I A F</u>				
206A		6		
205A				
212				15
OTHER	16 HH43B's	16 CH-47		
<u>I I N</u>				
206A	10	2	12	
205A	2	2	4	8
212				4
209				6-12
OTHER		5 SH3D's		
<u>I I G</u>				
206A	5			5
205A				
212				2
47				5
<u>I F H</u>				
206A	2		2	2
205A	4		4	
212		2	2	2
<u>R E D L I O N & S U N (Red Cross)</u>				
205A	1			
206A				5
47				3
<u>O T H E R G O V T M I N S .</u>				
206A				10
205A				
212				5
47				10-75
OTHER	3 Alouettes			
<u>C O M M E R C I A L</u>				
206A	3			5
206A	1			
212				3
47	15			5
OTHER	6			

GENV 37002276

LETTER OF JUNE 30, 1978
FROM
MR. HAWKE
TO
MR. MARINACCIO
ENCLOSING A SECOND VERSION
OF A MARCH 17, 1971 MEMORANDUM
TO FRANK SYLVESTER FROM C.P.B. HORSLEY
(301)

ARNOLD & PORTER

1229 NINETEENTH STREET, N. W.

WASHINGTON, D. C. 20036

TELEPHONE: (202) 872-8700

CABLE: "ARFOPO"

TELEX: 89-2733

JOHN D. HAWKE, JR.

DIRECT LINE (202) 872-6856

June 30, 1978

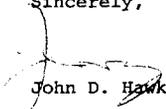
Charles L. Marinaccio, Esquire
Special Counsel
Committee on Banking, Housing
and Urban Affairs
5300 Dirksen Office Building
Washington, D. C. 20510

Dear Lindy:

As you know, among the Bell Helicopter documents that I sent up to you on June 16, 1978, was a memorandum to Frank Sylvester from C. P. B. Horsley dated March 17, 1971, concerning Horsley's trip to Iran between February 20 and March 12, 1971. We have recently come across another version of Mr. Horsley's trip report, which takes the form of a memorandum to the file. While this version is virtually identical to the one we have already furnished, I thought you should have it as well.

Best regards.

Sincerely,


John D. Hawke, Jr.

Enclosure

cc: Joseph P. Covington, Esq.
Richard J. Morvillo, Esq.

BELL HELICOPTER COMPANY
INTER-OFFICE MEMORANDUM

8 April 1971

MEMO TO: File
SUBJECT: Trip Report Iran, February 20 - March 12.

1. BACKGROUND AND PRESENT STATUS

Iran is a country of 30 million people, covering 600,000+ square miles of mainly what one can only describe as semi-desert with hot, high and dusty conditions prevailing. This rugged country is ideal helicopter terrain with ill-defined borders, oil to protect, and guerrillas to fight. The Shah himself is a great helicopter exponent and it was he a few years back who called for 150 helicopters to be procured as fast as possible. The Imperial Flight Hangar for instance contains 6 helicopters and he pilots the aircraft regularly himself.

He is a man of great vision and vigor and is determined to make Iran a great nation, and Leader of the Middle East. A great nation defined by good social, political and economic advancement and a strong leader by the best and most able of Armed Forces.

The defense budget has increased 100% in the last four years and this year alone has increased 30% to over \$1,000 m. Iran receives most of its income in oil revenue, and the recent Teheran talks guaranteed them an extra \$3,600 m over the next five years. Defense will absorb a large proportion of this. The country is politically stable (relatively speaking) and is on good terms with Israel and most Arab countries (excluding Iraq in particular where border skirmishes, etc., are taking place daily). This situation along with Iran's determination to fill the vacuum left by the British on withdrawal of the Persian Gulf are their two main theatres of activity.

The original Iranian procurement story is of past history and thus will not be discussed, suffice to say contracts worth near \$200 m were signed with Agusta for 100 206A's, 44 205A's, 16 CH-47's and 6 SH-3D's, plus training, support, etc. and participation in setting up an in-country facility.

FTW 37006016

BELL HELICOPTER COMPANY

Page two

8 April 1971

The 206A's and 205A's were supposed to be all in country by the summer of this year, but deliveries are near 6 months behind schedule with approximately 30 206A's and 15 205A's yet to be delivered. 30 206A's were traded off last year for a further 8 205A's. See attachment (1) for the status on deliveries. Also see attachment (2) for reference to names as mentioned through the report.

Iran has formed a Regional Cooperation for Development (RCD) agreement with Turkey and Pakistan to progress towards what one might call a "Middle East Common Market".

The atmosphere within the country is one of determination for stability and progress.

2. BELL REPRESENTATIVE - AIR TAXI COMPANY

Air Taxi Company is situated on the main airport/base perimeter in Teheran and is a company of nearly 200 persons (incl. 25 pilots) operating 14 Aero Commanders, 5 Turbo Commanders, 5 DC3's, 7 Pipers, 2 Cessnas, and 1 Turbo beaver. The various activities include non-scheduled passenger and cargo charters (esp. Civ. Govt.), photographic and agricultural operations, with light aircraft maintenance carried out at the main facility. The issued capital of the company is 50 million rials (\$ 3/4 m) and the chairman and managing director is Mr. A. H. Zanganeh. The one named director is A. Chafik (Prince Shakriar Chafik's father), but the real influence behind the company is General Khatemi, The Air Force Commander-in-Chief. As a serving officer he officially is not allowed to hold offices outside his military capacity but in reality anything that flies Gen. Khatemi has an interest in - as he does for instance in Iranian Helicopters - the Bristow set-up operating 47's, 206A's, W.W.III's and Alouette III's.

The sales manager for Air Taxi is Mr. Khalil Iranzad, a very fine and hardworking gentleman, who gave me every hospitality and moment of his time to what very soon became a very busy schedule. He is new in the job and more helicopter orientated staff are needed if any further progress is made. Whilst being Bell's representative, they also look after the interests of Aero Commander (basically the only fixed wing twin in-country), Westinghouse, Avco Lycoming, Sunair, King, De Havilland, Hawker Siddeley, etc. With Avco Lycoming alone they have done \$ 3 m worth of spare parts, overhaul business, etc., with the L-13 engine. All Iranian Armed Forces Lycoming engine orders now go through Air Taxi.

FTW 37006017

BELL HELICOPTER COMPANY

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Mr. Zanganeh had done little to promote the Bell name over the last few years, having felt totally defeated by Agusta in the original play off and having had to watch the "whole show" from a distance. He fast became involved though as the tempo increased, and was most vital in arranging meetings, etc.

3. MAAG

It was about six months ago that ARMISH-MAAG first became truly involved at the Iranians request. Since that time everybody from General Twitchell down has become involved in the project and these general objectives have been formulated from the information and requirements given.

- I. Go to any source possible to achieve the support and training standards required.
- II. Help plan for additional aircraft.
- III. Specifically train enough pilots to enable them to take on ground duties, to be prepared for the additional aircraft when ordered.

To this end MAAG made three major recommendations all of which have been accepted.

- I. To introduce a Technical Assistance Team into country of five civilian specialists - armament, engines, etc. The team arrives April 1, to evaluate and advise.
- II. To introduce a M.T.T. team of 4 pilots into country for 90 days to assist in tactical training, mission planning, etc.
- III. To send 90+ pilots to United States for complete military training, and \$3.2 FMS letter of intent has been signed, though the Iranians are having great difficulty at present in finding the personnel.

MAAG are involved and committed and Lt. Col. Ben Estes, for instance, spends his whole life and gives all in helping these projects. He has drawn up a complete 3-year plan of procurement/operation for instance for them that again they willingly have accepted.

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3 year plan as recommended by MAAG, with 3 phases.

<u>YEAR</u>	<u>to ESTABLISH</u>	<u>with</u>	<u>206A</u>	<u>205A</u>	<u>209</u>
1971/2	4 Air Cav. Bat.		3	3	-
1972/3	4 Air Cav. Bat.		4	6	-
1973/4	10 Air Cav. Bat.		4	6	4

This alone spells out a requirement for a further 20+ 205 type helicopters and 40 209's. This is a firm requirement, based on the Iranian determination to establish the best and strongest force in the Middle East.

At this moment they want as much HueyCobra information as possible to start their planning, etc., and Gen. Taufanian himself welcomed a full scale briefing and this idea was fully endorsed by MAAG.

5. IMPERIAN IRANIAN ARMED FORCES.

I. Imperial Iranian Navy (IIN).

Prince Shariar Chafik is a very key man in the IIN having direct access to the Shah and will be C-in-C within 7-10 years. I had meetings with him along with Colonel Vari - Commander of the Navy Aviation (seconded from the Air Force), Lt. Commander Parvaneh - procurement officer and various logistics and engineering officers. They all confirmed difficulty in obtaining AOG items from Agusta and indeed problems existed with the very fulfilment of the contract for much had been undelivered. Prince Chafik is insisting that all future procurement for spares and aircraft, for reasons of reliability, fast delivery, etc., come from B.H.C. and in this regard Air Taxi are deep in negotiations with the Navy for starting such a spares support program. I sat in on a couple of meetings and it is progressing well.

The Navy will be sending two young engineer Lieutenants over to Bell for 3 months maintenance and overhaul courses starting July.

The Navy have on order and will soon be operating 12 206A's, 4 205A's and 6 SH3D's in the Persian Gulf on mainly patrol work - stopping infiltrators and smugglers along the 1000 mile coast line. They also operate 6 SRN6's and have 6 SRN7's on order (the 200 passenger variety). They have every intention of expanding further and plan for 8 205A's and 6 AH-1J's

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- this is recommended by the MAAG - Lt. Cdr. Meiling is working closely with IIN in Teheran and they also have a couple of officers working and flying with them full time down at Abadan, Krosrowabad, and Karg Island.

II. Imperial Iranian Air Force (IIAF).

A service that is completely U. S. orientated and wishes nothing more, especially through General Kathemi and Air Taxi, to be able to order all future spares and any aircraft from Bell. They presently operate 16 Kaman HH43B's very successfully and will be receiving 4 206A's for VIP work. They also successfully operate F-4's, F-5's and C-130's (second largest C-130 force outside USAF).

III. Imperial Iranian Army Aviation (IIAA).

The major operator with 40 205A's and 40 206A's due in service. They undoubtedly have the most trouble supporting their aircraft and have already obtained from MAAG a complete computer read out from St. Louis (for \$300) of what is recommended as a stock to support these aircraft.

Avco Lycoming submitted a proposal direct for their engines, not going through MAAG or Agusta and it was immediately accepted. The relationship between Lycoming and IIAA is excellent, with 3 Tech Reps on contract.

Major Tohidi, Chief of the Army Aviation Procurement asked for a similar proposal from Bell for 1) Recommended spares holding at one depot for 50 206A - for 1 year (first year of operation) flying 300 hours p.a. - air frame and engine (if possible).

- 2) Exactly the same as above except for 50 205A's - airframe only.

He expressed every desire and intent to procure from B.H.C. as soon as the present contract had been fulfilled. This also was the sentiment of Gen. Gandehavi, C-in-C Army Aviation.

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IV. Imperial Flight Hangar

A very impressive operation commanded by Col. Shafaat Poure (IIAF) and flying 4 205A's and 2 206A's. He was promised delivery of 2 212's for December 1970, and nothing had arrived, though stated that the Shah was going to visit CAGA next week to inspect his first aircraft. Though they have had an occasion to wait up to 4 months for spares, the service provided was otherwise good. The Colonel has visited Dallas - Fort Worth area on numerous occasions and has seen the Bell plant and expressed positive interest in being able to deal with Bell.

It may be worth pointing out at this stage that 90% of the people one talked to were under the illusion that they were not able to procure from Bell, U. S. I clearly explained to them the licensing situation and that the only aircraft that could not be procured from B. H. C. was the Bell Model 212.

V. Red Lion and Sun.

This is an organization equivalent to our Red Cross and operates Aero Commanders and recently procured a 205A for mountain rescue and ambulance work inter-hospital transportation, VIP missions, etc. The Commander of this unit is Major Haji Moniri. He works closely with Air Taxi and disclosed plans to procure 5-10 206A's in ambulance configuration for the missions described above. This requirement is in conjunction with a plan for every hospital to have a heliport, etc. These ambulance configured aircraft should be with the C-20 engine, with delivery about a year from now. He also stated interest in the Model 47G-3B-2 for doing more of the general doctor transportation and inter-hospital work and then the 206A as purely the ambulance. He stated he wanted these aircraft to be procured through Air Taxi Company, and that a proposal should be submitted through them by September 1971.

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7. POTENTIAL

In true retrospect one can only describe the progress made in such short a time with so many obstacles as incredible. One cannot help but admire them.

A new aviation era has been born in Iran and with the determination and foresight of such men as the Shah, it can only progress in leaps and bounds.

The next two years will be a time of consolidation for the armed forces, for they must not dilute their effort and resources. The general plan is though for all the helicopter branches to expand as fast as reasonably possible. By the end of 1971 there will be near 200 helicopters in country and by 1975 they intend to double it, with the introduction of the HueyCobra (40+), and the 212 (25+) and more 205A's (50) and 206A's (25).

The Shah has ordered all Government Ministries to procure helicopters, thus the civil government market has potential for police work, power and pipe-line patrol, VIP work, etc. The Ministry of Agriculture alone are already considering the purchase of 50 helicopters for agricultural purposes. As this market expands so I'm sure will the commercial market.

The groundwork has been laid, the requirements fairly well established, now it is up to us - the manufacturers and sellers.

FTW 37006022

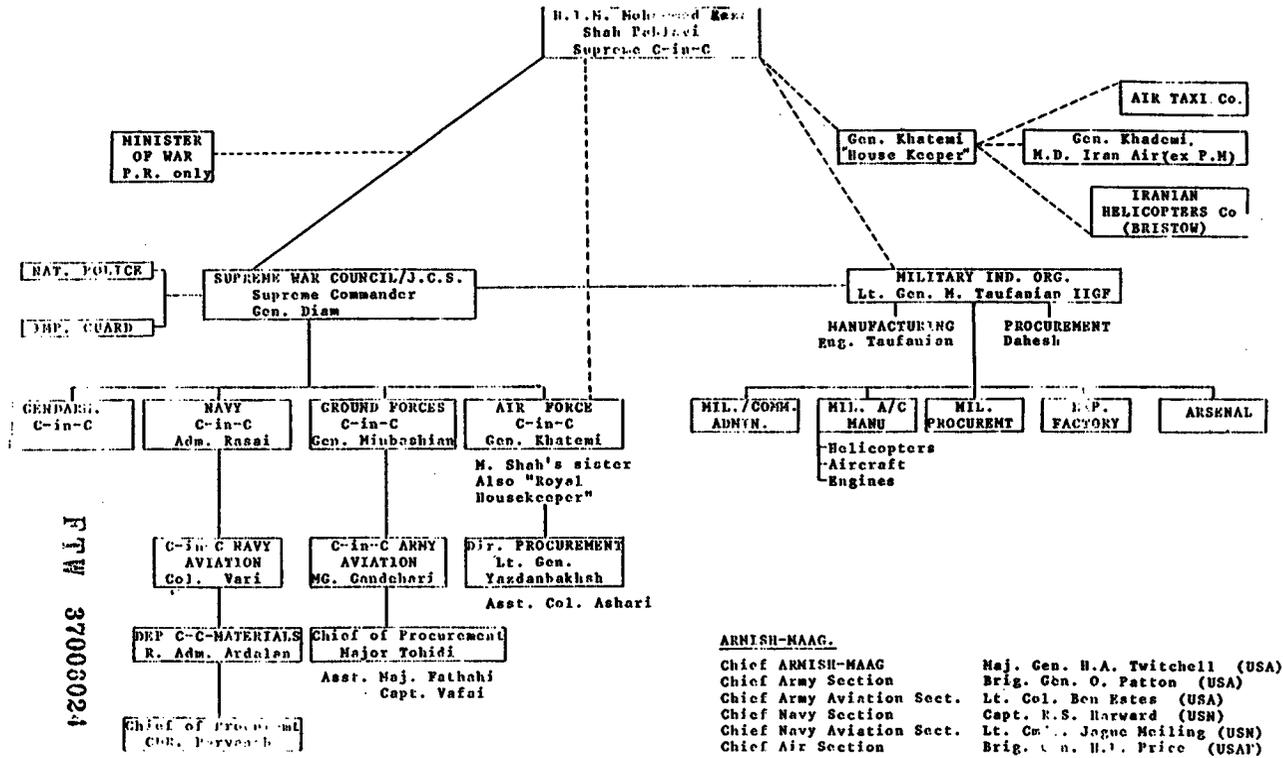
ATTACHMENT I.

IRAN

HELICOPTER STATUS OF PRESENT PROCUREMENTS
AND FORECAST REQUIREMENTS 1971-76

	DELIVERED (incl. A/C at CAGA for Train- ing)	ON ORDER	TOTAL	1971-76 FORECAST REQUIREMENTS
<u>ITAA</u>				
206A	2717	2723	4540	10
205A	2721	2719	40	40
212				10
209				40
<u>ITAF</u>				
206A		54	54	
205A				
212				15
OTHER	16 HE43B's	16 CH-47		
<u>ITN</u>				
206A	10	2	12	
205A	2	2	4	8
212				4
209				6-12
OTHER		5 SH3D's		
<u>IEG</u>				
206A	58	6	54	5
205A				
212				2
47				5
<u>IFE</u>				
206A	2		2	2
205A	4		4	
212		2	2	2
<u>RED LION & SUX (Red Cross)</u>				
205A			1	
206A				5
47				3
<u>OTHER GOVT MINS.</u>				
206A				10
205A				
212				5
47				10-75
OTHER	3 Alouettes			
<u>COMMERCIAL</u>				
205A	3			5
206A	1			
212				3
47	15			5
OTHER	6			

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FTW 37003024

LETTER OF JUNE 26, 1978
TO
ATTORNEY GENERAL GRIFFIN B. BELL
FROM
SENATOR WILLIAM PROXMIRE
(313)

WILLIAM PROCHNOW, WIS., CHAIRMAN
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United States Senate

COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS
 WASHINGTON, D.C. 20510

June 26, 1978

The Honorable Griffin B. Bell
 Attorney General
 Department of Justice
 Washington, D. C. 20530

Dear Mr. Attorney General:

I am enclosing a copy of a letter from Arnold and Porter, attorneys for Textron, Inc., dated June 21, 1978, forwarding to this Committee the latest submission of Textron-Bell documents that were covered by a subpoena issued by this Committee on January 31, 1978. Also enclosed are copies of approximately 120 documents transmitted by Arnold and Porter in their June 21 letter.

As you recall, this Committee approved the issuance of the subpoena in connection with its investigation of a \$2.9 million payment by Textron's Bell Helicopter Division to Air Taxi, the Company's Iranian sales agent. This investigation arose pursuant to the Committee's hearing on the nomination of G. William Miller to be a member of the Board of Governors of the Federal Reserve.

Some of the documents included in Textron's latest submission appear to contradict sworn testimony given the Committee. One document indicates that Textron-Bell officials were aware that General Mohammed Khatami, then Commander-in-Chief of the Imperial Iranian Air Force, was the "real influence" behind its sales representative, Air Taxi, whereas Textron-Bell officials earlier had testified that they had no such knowledge. Also, Textron's attorneys did not explain why these documents were not included with the initial documents furnished the Committee last February in response to its subpoena.

Honorable Griffin B. Bell
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I request a thorough investigation by the Department of Justice to determine whether, in light of the latest submission of Textron-Bell documents and the timing of the submission, any Federal criminal statutes were violated.

Sincerely,



William Proxmire
Chairman

WP:bfq

Enclosures