October 4, 1978

Mr. Moshe Alon
Deputy Director General
Ministry of Foreign Affairs
Jerusalem

Dear Moshe:

When Sy Taubenblatt was here we promised Gad Elron to get you copies of the Harza report. Here they are with our compliments.

It was Taubenblatt's understanding that Mr. Kantor and Mr. Ben Meir would be discussing the possibility of using Harza as an intermediary for technical talks on the West Bank water study and on the diversion wier. Do you have anything for me on this subject?

With best regards,

Sincerely,

Samuel F. Hart Acting Deputy Chief of Mission

Encl - as stated



EMBASSY OF THE UNITED STATES OF AMERICA Tel Aviv

October 25, 1978

Mr. Moshe Alon Deputy Director General Ministry of Foreign Affairs Jerusalem

Dear Moshe:

As we discussed yesterday, I will outline for you in this letter (for your personal and private information) my understanding of the status of the Maqarin Dam project.

There is \$50 million in the FY 1979 AID appropriation for Maqarin. Although there is no language in the bill itself concerning arrangements with riparian states, both the House and the Senate Committee reports contain the following: "The United States must (should) be assured that the interest of all the riparian states on this question of water sharing downstream have been taken into consideration. This will involve firm understandings with and between Israel and Jordan, as well as the continued cooperation of Syria, which does not object to the Maqarin project at the present time."

AID and the Department of State believe that written understandings by the riparian states on the question of water usage must be obtained before the dam is built. As we discussed, there are many different forms a written understanding could take which would be acceptable to the United States. I hope that the Government of Israel will be flexible on this issue should the other parties have difficulty in addressing it in the most straightforward manner. We believe that the important factors to be kept in mind are the 25 MCM to be made available for the Yarmouk Triangle and the provision of certain amounts of water to the West Bank. The 25 MCM would be additional to waters flowing pass Adasiyah during the rainy season. All or part of the flow past could be subsequently allocated to the West Bank. That flow would, of course, have to be supplemented from other sources - perhaps including water from Lake Tiberias. The details of this would have to be decided when a West Bank water study has been completed.

The United States believes it would be useful if Israel and Jordan could agree on the construction of the weir separate from the above issue. The weir can be viewed as a self-contained project which will allow more efficient use of existing water without prejudice to the water availability to any of the riparians. We believe that it is also in the interest of both parties to proceed with the weir as soon as possible. We understand that such issues as the design of the weir, the timing and size of releases of the water, methods of transmission and interpretation of data and the control of the weir operation are important to your government. We plan to explore with the Jordanians whether a method can be found to work out mutually acceptable arrangements on these matters. It would be helpful to know whether the Government of Israel would accept Harza as an intermediary for discussions on the diversion weir and as the contractor to carry out the West Bank study. It is my understanding that Harza would act as the agent of the Government of Jordan and deal with Tahal on a technical level.

I would very much appreciate any thoughts you have on how we should proceed.

With best wishes.

Sincerely,

Samuel F. Hart Economic/Commercial Counselor

bcc: AID - Taubenblatt
AmEmbassy AMMAN

The Government of Israel is aware from the records, provided by the Embassy, of London meetings (October 10-12), that the technical issues concerning the Magarin Dam have now been mostly resolved. Jordan still needs to secure Syrian agreement to the modification of the existing water sharing agreement and for diversion of Wadi Raqquad but hopes to be able to do so in time to issue the invitation for bids for the construction of the dam by April, 1980. We believe that this project is extremely important to the economic viability of Jordan and want to clear up the remaining riparian problems between Israel and Jordan so that work can proceed. We believe reasonable and fair compromises of the outstanding differences are possible, and we are prepared to make a strong push with the Jordanians for certain concessions. We expect that Jordanian agreement to these concessions may be difficult and we, therefore, have decided to consult first with Israel to find out if the Government of Israel would cooperate in implementing the project on the basis of our proposals.

The first issue to be resolved is the amount of water which would be provided to the Yarmouk Triangle. At the London meeting the Jordanians provided the donors with

a written understanding to provide annually 25 MCM for the Triangle at a rate of flow, after construction of the Maqarin Dam and establishing control of the river, of up to 2.3 cubic meters per second during the summer months. We believe the Jordanian willingness to provide this assurance in writing is a gesture of good faith. The level guaranteed is in keeping with the Johnston plan of the 1950's and is the level Israel accepted when the same issue was discussed in connection with the construction of the East Ghor Canal. We hope Israel will now be able to accept this as providing a reasonable availability of water meeting Israeli riparian rights in the Triangle so that we can lay this issue to rest.

The second issue is the construction of the diversion weir at Adasiye. We agree with the long-established Israeli position that direct technical discussions with Israel relating to the design, construction and operation of the weir will be needed. This remains a very sensitive issue with the Jordanians, since it could affect Syrian willingness to agree to a new water sharing agreement as well as Jordan's relations with other Arab states including Arab donors. We have been encouraged, however,

by the successful resolution of this summer's dispute over Yarmouk water diversion. We think this may have broken the ice, particularly since the fact of direct meetings was not made public. We are therefore ready to push hard for further such meetings, preferably within the IJMAC context, to discuss the design, construction and operation of the diversion weir. We would like to be in a position to tell the Jordanians that Israel is in favor of holding further such meetings in strict confidence for these purposes.

On the question of the future provision of Yarmouk water to the West Bank, we believe that Jordan would agree not to foreclose considering an allocation for the West Bank at an appropriate time and we are prepared to seek such a commitment in writing. We think that it is not reasonable to ask more than this at this time. Water for the West Bank, in its broadest sense, will be an issue of critical importance in the negotiations of the SGA and the final status of the West Bank, and this issue should be addressed in the broader context at a later stage, and not become a block to the realization of Maqarin.

The Yarmouk is the last controlled water resource available to Jordan and construction of Maqarin has become

a key element in Jordan's economic and social development because its reservoir storage is no longer seen simply as a source of irrigation water but rather as a primary source for municipal water. Without the Maqarin Dam Jordan's future development is in danger. Jordan is about to begin serious discussions with other financing agencies for funding the project as now conceived and therefore needs to know as soon as possible whether, and in what form, the project can proceed. We expect to begin discussions with the Government of Jordan soon on the above issues. Therefore, we would appreciate an indication of the Government of Israel's reaction to our proposals at its earliest convenience.