

AGREEMENT FOR COOPERATION IN THE PEACEFUL USES OF NUCLEAR ENERGY BETWEEN THE EUROPEAN ATOMIC ENERGY COMMUNITY AND THE UNITED STATES OF AMERICA

THE EUROPEAN ATOMIC ENERGY COMMUNITY, hereinafter referred to as "the Community", and THE GOVERNMENT OF THE UNITED STATES OF AMERICA, hereinafter referred to as "the United States of America",

PREAMBLE

WHEREAS the Community and the United States of America concluded an Agreement which entered into force on 27 August 1958 and an Additional Agreement for Cooperation which entered into force on 25 July 1960, as subsequently amended;

WHEREAS the Community and the United States of America recognize the value of their past cooperation in the peaceful uses of nuclear energy and wish to provide for renewed cooperation on the basis of equality, mutual benefit, reciprocity and without prejudice to the respective powers of each Party;

WHEREAS the Community and the United States of America are convinced that by strengthening and expanding their partnership on an equal footing they will contribute to continued international stability as well as to political and economic progress;

WHEREAS the Community, its Member States and the United States of America have attained a comparable advanced level in the use of nuclear energy for electricity production, in the development of their nuclear industries and in the security afforded by their respective laws and regulations concerning health, safety, the peaceful use of nuclear energy and the protection of the environment;

WHEREAS it is necessary to establish the conditions governing transfers of nuclear items between the Community and the United States of America, to ensure continued compliance with the requirement for free movement of such items within the Community and to avoid interference in nuclear programmes in place in the Community and the United States of America as well as in their international trading relations;

WHEREAS all Member States of the Community and the United States of America are Parties to the Treaty on the Non-Proliferation of Nuclear Weapons, hereinafter referred to as "the Non-Proliferation Treaty";

WHEREAS the Community, its Member States and the United States of America are committed to ensuring that the research, development and use of nuclear energy for peaceful purposes are carried out in a manner consistent with the objectives of that Treaty;

WHEREAS nuclear safeguards are applied in the Community pursuant to the Treaty

establishing the European Atomic Energy Community;

WHEREAS the Community, its Member States and the United States of America reaffirm their support of the International Atomic Energy Agency, hereinafter referred to as "the IAEA", and of its safeguards system;

WHEREAS the Community, its Member States and the United States of America are strongly committed to strengthening the international nuclear non-proliferation and related safeguards regimes;

WHEREAS the Community, its Member States and the United States of America are strongly committed to adequate physical protection of nuclear material and are Parties to the International Convention on the Physical Protection of Nuclear Material;

WHEREAS it is desirable to facilitate, as appropriate, trade, exchanges and cooperation activities at an industrial and commercial scale, including peaceful international cooperation with third Parties, in accordance with Article IV of the Non-Proliferation Treaty;

WHEREAS it is also desirable to set up a framework for exchanges of information and for consultations between the Parties on nuclear matters of common interest;

WHEREAS cooperation should extend to nuclear research and development on nuclear safety and to regulatory and operational aspects of radiological protection;

WHEREAS cooperation relating to nuclear fission research and development in such fields as safety, radiological protection, health and the environment, and safeguards may be subject to specific agreements between the Community and the United States of America;

WHEREAS the Community and the United States of America contribute to international cooperation in the field of controlled thermonuclear fusion and, in particular, to the activities of the international thermonuclear experimental reactor (ITER);

WHEREAS it is appropriate that the nuclear cooperation Agreements concluded between, on the one hand, the United States of America and, on the other hand, the Republic of Austria, the Kingdom of Spain, the Portuguese Republic, the Kingdom of Sweden and the Republic of Finland before their accession to the European Community be terminated upon the entry into force of the present Agreement;

WHEREAS likewise the United States of America is prepared to terminate any nuclear cooperation agreement it may have with third States acceding to the Community,

HAVE AGREED AS FOLLOWS:

ARTICLE 1 - SCOPE OF COOPERATION

1. The Parties may cooperate in the peaceful uses of nuclear energy in the following areas:

A) Nuclear fission research and development on such terms as may be agreed between the Parties;

B) Nuclear safety matters of mutual interest and competence, as set out in Article 2;

C) Facilitation of exchange and cooperation activities at an industrial or commercial scale between persons and undertakings;

D) Subject to the provisions of this Agreement, supply between the Parties of non-nuclear material, nuclear material and equipment and provision of nuclear fuel cycle services, whether for use by or for the benefit of the Parties or third countries;

E) Exchange of information on major international questions related to nuclear energy, such as promotion of development in the field of international nuclear safeguards and non-proliferation within areas of mutual interest and competence, including collaboration with the IAEA on safeguards matters and on the interaction between nuclear energy and the environment;

F) Controlled thermonuclear fusion including multilateral projects;

G) Other areas of mutual interest.

2. The cooperation referred to in this Article, as between the Parties, may also take place between persons and undertakings established in the respective territories of the Parties.

ARTICLE 2 - COOPERATION ON NUCLEAR RESEARCH AND DEVELOPMENT

1. The Parties may cooperate in nuclear research and development including the following activities, insofar as they are covered by the respective nuclear research and development programmes of the Parties:

(a) nuclear safety, including regulatory and operational aspects of radiological protection;

(b) development of nuclear energy including, inter alia, research into new reactors, decommissioning of nuclear installations, radiological safety research into waste management and disposal and interaction between nuclear energy and the environment;

(c) nuclear safeguards;

(d) research on controlled thermonuclear fusion including, inter alia, bilateral activities

and contributions towards multilateral projects such as the International Thermonuclear Experimental Reactor (ITER).

2. Cooperation pursuant to this Article may include, but is not limited to, training, exchange of personnel, meetings, exchanges of samples, materials and instruments for experimental purposes and a balanced participation in joint studies and projects.

3. Information arising from the implementation of this Article which, in the judgment of the appropriate authorities of the Parties, should be placed in the public domain may be so disseminated by them in a consolidated or other appropriate form, subject to the Guidelines set out in Annex B.

ARTICLE 3 - INDUSTRIAL AND COMMERCIAL COOPERATION

In conformity with the provisions of Article IV of the Non-Proliferation Treaty, the Parties undertake to facilitate the fullest possible exchange of equipment, materials and scientific and technological information for the peaceful uses of nuclear energy. To this end, the Parties will facilitate, as appropriate, commercial relations between persons and undertakings involving nuclear cooperation.

Such cooperation may include, but is not limited to:

- investments,
- joint ventures,
- environmental aspects at industrial or commercial scale,
- trade in nuclear items, non-nuclear material and technical and specialized services as specified in Article 4,
- licensing arrangements between persons and undertakings in the territory of either Party.

ARTICLE 4 - NUCLEAR TRADE

1. The Parties shall facilitate nuclear trade between themselves, in the mutual interests of industry, utilities and consumers and also, where appropriate, trade between third countries and either Party of items obligated to the other Party.

2. Authorizations, including export and import licenses as well as authorizations or consents to third parties, relating to trade, industrial operations or nuclear material movements on the territories of the Parties shall not be used to restrict trade. The relevant authority shall act upon applications for such authorizations as soon as possible after submission and without unreasonable expense. Appropriate administrative procedures

shall be in place to ensure respect of this provision.

ARTICLE 5 - ITEMS SUBJECT TO THE AGREEMENT

1. Non-nuclear material, nuclear material and equipment transferred between the Parties or their respective persons or undertakings, whether directly or through a third country, shall become subject to this Agreement upon their entry into the territorial jurisdiction of the receiving Party, provided that the supplying Party has notified the receiving Party in writing of the intended transfer and the receiving Party has acknowledged in writing the receipt of this notification.

2. Non-nuclear material, nuclear material and equipment referred to in this Article shall remain subject to the provisions of this Agreement until it has been determined, in accordance with the procedures set out in the Administrative Arrangement:

- that such items have been retransferred beyond the jurisdiction of the receiving Party,
- that nuclear material or non-nuclear material are no longer usable for any nuclear activity relevant from the point of view of international safeguards or have become practically irrecoverable,
- or that equipment is no longer usable for nuclear purposes.

ARTICLE 6 - SAFEGUARDS

1. Safeguards required under this Agreement shall be those applied by the Community pursuant to the Euratom Treaty and by the IAEA pursuant to the following safeguards agreements, as relevant, as they may be revised and replaced so long as coverage as required by the Non-Proliferation Treaty is provided for:

- (a) the Agreement between the Community, its non-nuclear weapon Member States and the IAEA, which entered into force on 21 February 1977;
- (b) the Agreement between the Community, the United Kingdom of Great Britain and Northern Ireland and the IAEA, which entered into force on 14 August 1978;
- (c) the Agreement between the Community, France and the IAEA, which entered into force on 12 September 1981;
- (d) the Agreement between the United States of America and the IAEA, which entered into force on 9 December 1980.

2. (A) Nuclear material transferred to the Community pursuant to this Agreement, and special fissionable material used in or produced through the use of any non-nuclear material, nuclear material or equipment, so transferred, shall be subject to the relevant

agreements referred to in paragraph 1 of this Article.

(B) Nuclear material transferred to the United States of America pursuant to this Agreement, and special fissionable material used in or produced through the use of any non-nuclear material, nuclear material or equipment, so transferred, shall be subject to the agreement referred to in paragraph 1(d) of this Article.

3. In the event that any of the IAEA safeguards agreements referred to in paragraph 1(a), (b) or (c) are not being applied,

(a) the Community shall enter into an agreement or agreements with the IAEA for the application of safeguards which provide for effectiveness and coverage equivalent to that provided by the safeguards agreements required by paragraphs 1(a), (b) and (c) or, if that is not possible,

(b) the Community shall give the United States of America an assurance that safeguards are being applied by the Community which provide for effectiveness and coverage equivalent to that provided by the safeguards agreements required by paragraph 1(a), (b) and (c). In the fulfilment of obligations arising from these paragraphs, the United States of America hereby recognizes the unique role and importance of the Euratom safeguards system and of its application in the Community pursuant to the Euratom Treaty. In this context, the United States of America further takes note that the IAEA, pursuant to the safeguards agreements concluded with the Community and its Member States as well as in subsequent implementing arrangements, shall take due account, inter alia, of the effectiveness of the Community's system of safeguards enabling the IAEA to deploy an inspection effort less than that applied under other safeguards agreements in which there are comparable nuclear facilities producing, processing, using or storing safeguarded nuclear material where a regional safeguards system does not exist.

(c) In the event that conditions arise which do not permit application of such safeguards by the Community, the Parties shall immediately establish safeguards arrangements for the application of safeguards which provide for effectiveness and coverage equivalent to that provided by the safeguards agreements required by paragraphs 1(a), (b) and (c) of this Article.

4. In the event that the IAEA safeguards Agreement referred to in paragraph 1(d) of this Article, is not being applied,

(a) the United States of America shall enter into an agreement or agreements with the IAEA for the application of safeguards which provide for effectiveness and coverage equivalent to that provided by the safeguards agreement required by paragraph 1(d) of this Article or, if that is not possible,

(b) the Parties shall immediately establish safeguards arrangements for the application of safeguards which provide for effectiveness and coverage equivalent to that provided by

the safeguards Agreement required by paragraph 1(d) of this Article.

ARTICLE 7 - PEACEFUL USE

1. Cooperation under this Agreement shall be carried out for peaceful purposes.
2. Non-nuclear material, nuclear material and equipment transferred pursuant to this Agreement and special fissionable material used in or produced through the use of such items shall not be used for any nuclear explosive device, for research on or development of any nuclear explosive device or for any military purpose.

ARTICLE 8 - NUCLEAR FUEL CYCLE ACTIVITIES

1. The nuclear fuel cycle activities carried out pursuant to this Agreement include:
 - (A) Within the territorial jurisdiction of either Party, enrichment up to twenty percent in the isotope 235, of uranium transferred pursuant to this Agreement, as well as of uranium used in or produced through the use of equipment so transferred. Enrichment of such uranium to more than twenty percent in the isotope 235 and re-enrichment of such uranium already enriched to more than twenty percent in the isotope 235 may be carried out according to conditions agreed upon in writing which shall be the subject of consultations between the Parties within 40 days of the receipt of a request from either Party.
 - (B) Irradiation within the territorial jurisdiction of either Party of plutonium, uranium-233, high enriched uranium and irradiated nuclear material transferred pursuant to this Agreement or used in or produced through the use of non-nuclear material, nuclear material or equipment so transferred.
 - (C) Retransfer to third countries according to procedures set out in the Agreed Minute of:
 - (i) low enriched uranium, non-nuclear material, equipment and source material transferred pursuant to this Agreement or of low enriched uranium produced through the use of nuclear material or equipment transferred pursuant to this Agreement, for nuclear fuel cycle activities other than the production of HEU;
 - (ii) irradiated nuclear material transferred pursuant to this Agreement or irradiated nuclear material used in or produced through the use of non-nuclear material, nuclear material or equipment transferred pursuant to this Agreement, for storage or disposal not involving reprocessing;
 - (iii) other nuclear material transferred pursuant to this Agreement and other special fissionable material produced through the use of non-nuclear material, nuclear material or equipment transferred pursuant to this Agreement, for other fuel cycle activities including those specified in paragraphs 2 and 3 of this Article.

(D) Post-irradiation examination involving chemical dissolution or separation of irradiated nuclear material transferred pursuant to this Agreement or irradiated nuclear material used in or produced through the use of non-nuclear material, nuclear material or equipment so transferred.

(E) Conditioning, storage and final disposal of irradiated materials transferred pursuant to this Agreement or used in or produced through the use of non-nuclear material, nuclear material and equipment transferred pursuant to this Agreement.

2. The following nuclear fuel cycle activities may be carried out pursuant to this Agreement within the territorial jurisdiction of either Party in facilities forming part of the delineated peaceful nuclear programs described in Annex A:

A) Reprocessing of nuclear material transferred pursuant to this Agreement and nuclear material used in or produced through the use of non-nuclear material, nuclear material or equipment so transferred;

B) Alteration in form or content of plutonium, uranium 233 and high enriched uranium transferred pursuant to this Agreement or used in or produced through the use of non-nuclear material, nuclear material or equipment so transferred;

3. The following nuclear materials:

(i) plutonium, uranium-233 and high enriched uranium, if not contained in irradiated nuclear fuel, transferred pursuant to this Agreement;

(ii) plutonium, uranium-233 and high enriched uranium recovered from nuclear material transferred pursuant to this Agreement;

(iii) plutonium, uranium-233 and high enriched uranium recovered from nuclear material used in equipment transferred pursuant to this Agreement

may be stored in facilities that are at all times subject, as a minimum, to the levels of physical protection that are set out in Annex C to IAEA document INFCIRC 254/REV 1/Part 1 (Guidelines for nuclear transfers) as it may be revised and accepted by the Parties and the Member States of the Community.

Each Party shall record its facilities on a list, made available to the other Party. A Party's list shall be held confidential if that Party so requests. Either Party may make changes to its list by notifying the other Party in writing and receiving a written acknowledgement. Such acknowledgement shall be given no later than thirty days after the receipt of the notification and shall be limited to a statement that the notification has been received.

If there are grounds to believe that the provisions of this sub-Article are not being fully

complied with, immediate consultations may be called for.

Following upon such consultations, each Party shall ensure by means of such consultations that necessary corrective measures are taken immediately. Such measures shall be sufficient to restore the levels of physical protection referred to above at the facility in question. If this proves not to be feasible, the nuclear material in question shall be transferred for storage at another appropriate, listed facility.

ARTICLE 9 - INTERNATIONAL OBLIGATIONS EXCHANGES

The Parties shall establish expeditious procedures to be applied when nuclear material is to be made subject to this Agreement or removed from the coverage of this Agreement. These procedures shall include provisions on international exchanges of obligations, which will be set out in the Administrative Arrangement, provided for in paragraph 1 of Article 16.

ARTICLE 10 - IMPLEMENTATION OF THE AGREEMENT

1. The terms of this Agreement shall be implemented in good faith and with due regard to the legitimate commercial interests, whether international or domestic, of either Party.
2. This Agreement shall be implemented in a manner designed:
 - (a) to avoid hampering or delaying the nuclear activities in the territory of either Party;
 - (b) to avoid interference in such activities;
 - (c) to be consistent with prudent management practices required for the economic and safe conduct of such activities;
 - (d) to take full account of the long-term requirements of the nuclear energy programmes in place in the Community and in the United States of America.
3. The provisions of this Agreement shall not be used for the purpose of:
 - (a) securing unfair commercial or industrial advantages, or of restricting trade to the disadvantage of persons and undertakings of either Party or hampering their commercial or industrial interests, whether international or domestic;
 - (b) interfering with the nuclear policy or programmes of either Party nor for hindering the promotion of the peaceful uses of nuclear energy;
 - (c) impeding the free movement of nuclear material, non-nuclear material and equipment within the territory of the Community.

4. In exercising the rights arising from other nuclear cooperation agreements it might have concluded with third parties, each Party to this agreement will pay due regard to the legitimate commercial interests of the other Party; in case of difficulty either Party may call for consultations which shall take place within 40 days, in accordance with the provisions of Article 12.

ARTICLE 11 - PHYSICAL PROTECTION

1. Nuclear material transferred pursuant to this Agreement and special fissionable material used in or produced through the use of non-nuclear material, nuclear material or equipment so transferred shall be subject to adequate measures of physical protection.

2. Such physical protection measures shall be at levels which shall satisfy the criteria set out in Annex C to IAEA document INFCIRC 254/REV 1/Part 1 (Guidelines for nuclear transfers) as it may be revised and accepted by the Parties and the Member States of the Community. As a supplement to this document, the Member States of the Community, the Commission of the European Communities (as appropriate), and the United States of America will refer, when applying these measures, to the recommendations of IAEA document INFCIRC 225/REV 3 on the Physical Protection of Nuclear Material, as it may be revised and accepted by the Parties and the Member States of the Community.

3. International transport of nuclear material subject to this Agreement shall be subject to the provisions of the International Convention on the Physical Protection of Nuclear Material (INFCIRC 274/REV 1), as it may be revised and accepted by the Parties and the Member States of the Community.

ARTICLE 12 - CONSULTATION AND ARBITRATION

1. The Parties shall consult at the request of either of them to promote cooperation under this Agreement and to ensure its effective implementation. A Joint Committee shall be established for these purposes. This Committee will also consult on nuclear questions of mutual interest and any other significant matters relating to the cooperation envisaged by this Agreement. A Joint Technical Working Group reporting to the Joint Committee will be set up to ensure the fulfilment of the requirements of the Administrative Arrangement referred to in Article 16.

2. The Parties shall consult, at the request of either of them, on any question arising out of the interpretation or application of this Agreement.

3. Any dispute arising out of the interpretation or application of this Agreement shall be settled by negotiation, mediation, conciliation or other similar procedure or, if both Parties agree, by submission to an arbitral tribunal which shall be composed of three arbitrators appointed in accordance with the provisions of this paragraph. Each Party shall designate one arbitrator and the two arbitrators so designated shall elect a third, a national of a country other than the United States of America or a Member State of the

Community, who shall be the Chairman. If, within thirty days of the request for arbitration, a Party has not designated an arbitrator, the other Party may request the President of the International Court of Justice to appoint an arbitrator. The same procedure shall apply if, within thirty days of the designation or appointment of the second arbitrator, the third arbitrator has not been elected, provided that the third arbitrator so appointed shall not be a national of the United States of America or of a Member State of the Community. All decisions shall require the concurrence of two arbitrators. The arbitral procedure shall be fixed by the tribunal. The decisions of the tribunal shall be binding on the Parties.

ARTICLE 13 - SUSPENSION AND TERMINATION

A. CIRCUMSTANCES

1. If either Party or a Member State of the Community at any time following the entry into force of this Agreement:

(a) materially acts in violation of the fundamental provisions of Articles 4, 5, 6, 7, 10 or 11 of the Agreement or contravenes a decision of the arbitral tribunal referred to in Article 12 of this Agreement, or

(b) takes action of any kind which results in a material violation of its obligations under this Agreement, including prevention of nuclear trade envisaged under this Agreement,

the other Party shall have the right to cease further cooperation under this Agreement or to suspend or terminate, in whole or in part, this Agreement. Furthermore, if a Party suspends its consent to the activities, referred to in Article 8.2, for reasons other than those set out in paragraph 8(A) of the Agreed Minute, including situations which are not of the same or greater degree of seriousness as those set out in paragraph 8(A) under (a) or (b) of the Agreed Minute, the other Party shall have the same right.

2. If either Party or a Member State of the Community at any time following entry into force of this Agreement terminates or abrogates a safeguards agreement with the Agency and the safeguards agreement so terminated or abrogated has not been replaced by an equivalent safeguards agreement when appropriate and relevant, the other Party shall have the right to require the return in whole or in part of non-nuclear material, nuclear material or equipment transferred pursuant to this Agreement and special fissionable material produced through the use of such items.

3. If the Community or a non-nuclear weapon State member of the Community detonates a nuclear explosive device, the Government of the United States of America shall have the right specified in paragraph 2 of this Article.

4. If a nuclear-weapon-State member of the Community detonates a nuclear explosive device using any item subject to this Agreement, the United States of America shall have

the right specified in paragraph 2 of this Article.

5. If the United States of America detonates a nuclear explosive device using any item subject to this Agreement, the Community shall have the right specified in paragraph 2 of this Article.

B. IMPLEMENTATION

6. Before either Party decides to take action pursuant to paragraphs 1 to 5 above, the Parties shall hold consultations for the purpose of taking corrective measures and shall carefully consider the effects of such action, taking into account the need to make such other appropriate arrangements as may be required and, in particular, to ensure security and continuity of supply and adequate time for replacement and further to honour commitments to third countries and their industrial entities.

7. Before taking action under this Article, the Parties shall consider whether the facts triggering such steps were caused deliberately.

8. Action under this Article shall only be taken if the other Party fails to take corrective measures within an appropriate period of time following consultations.

9. If either Party exercises its right, pursuant to paragraphs 2 to 5 of this Article, to require the return of any items, it shall, prior to the removal from the territory or from the control of the other Party, compensate promptly that Party for the fair market value thereof and for the costs incurred as a consequence of such removal. If the return of nuclear items is to be required, the Parties shall determine jointly the relevant quantity of nuclear items, taking account of the circumstances involved. The Parties shall further satisfy themselves that full safety, radiological and physical protection measures, in accordance with their existing obligations, are taken in relation to the return of the items, that no unreasonable risks are incurred and that the return of items takes place in a manner consistent with all the relevant laws and regulations of the Parties.

ARTICLE 14- DURATION AND AMENDMENT

1. This Agreement shall enter into force on the date on which the Parties exchange diplomatic notes informing each other that their respective internal procedures necessary for its entry into force have been completed.

2. This Agreement shall remain in force for a period of thirty years and shall continue in force thereafter for additional periods of five years each. Either Party may, by giving six months' written notice to the other Party, terminate this Agreement at the end of the initial thirty year period or at the end of any subsequent five year period.

3. Notwithstanding the termination or suspension of this Agreement, the rights and obligations pursuant to Articles 6, 7, 8.1(C) and 11 and to paragraphs 2, 3, 4, 5, 8, 9, 10,

11 and 12 of the Agreed Minute shall continue in effect.

4. If a Party gives to the other Party the written notice provided for in paragraph 2, or if a Party suspends or terminates this Agreement pursuant to Article 13.1, the Parties shall hold consultations as soon as possible but not later than one month afterwards, for the purpose of deciding jointly whether, in addition to those referred to in paragraph 3 of this Article, further rights and obligations arising out of this Agreement, and in particular out of Article 8.1(A), 8.1(B), 8.1(D), 8.2 and 8.3 and the Agreed Minute relating thereto, shall continue in effect.

5. If the Parties are unable to reach a joint decision pursuant to paragraph 4,

(a) quantities of nuclear material equivalent to the inventory described in Article 20.1, and items of equipment described in Article 20.2, shall continue to be subject to the provisions of Articles 8.1(A), 8.1(B), 8.1(D), 8.2, 8.3 and Article 13 and their Agreed Minute but only to the extent covered by the Agreements referred to in Article 19.

(b) The question whether further rights and obligations, in addition to those referred to in paragraph 3 and subparagraph (a) of this paragraph of this Article, shall continue in effect in relation to nuclear material and equipment not covered by subparagraph (a), and to all non-nuclear material, shall be submitted to an arbitral tribunal composed pursuant to Article 12.3. The tribunal shall make its decision on the basis of the application of the rules and principles of international law, and in particular the Vienna Convention on the Law of Treaties.

(c) If the arbitral tribunal decides that rights and obligations other than those referred to in paragraph 3 of this Article shall not continue in effect with respect to non-nuclear material, nuclear material and equipment subject to arbitration pursuant to subparagraph (b), either Party shall have the right to require, subject to the procedures provided for in Article 13.9, the return of such non-nuclear material, nuclear material and equipment in the territory of the other Party on the day of termination of this Agreement.

(d) Until the Parties reach a joint decision or the arbitral tribunal renders its decision, this Agreement will remain in force notwithstanding the written notice pursuant to paragraph 2.

6. The Parties may consult, at the request of either, on possible amendments to this Agreement, particularly to take account of international developments in the field of nuclear safeguards. This agreement may be amended if the Parties so agree. Any amendment shall enter into force on the date on which the Parties exchange diplomatic notes informing each other that their respective internal procedures necessary for its entry into force have been completed.

ARTICLE 15 - MULTIPLE OBLIGATIONS

1. The Parties shall endeavour to avoid any difficulties arising out of the overlapping of obligations on nuclear material as a result of the application of several agreements concerning international trade.
2. The Parties shall promote multilateral consultations with a view to achieving mutually satisfactory solutions at international level.

ARTICLE 16 - ADMINISTRATIVE ARRANGEMENT

1. The appropriate authorities of the Parties shall establish an Administrative Arrangement in order to provide for the effective implementation of the provisions of this Agreement.
2. The principles of fungibility, equivalence and proportionality shall apply to nuclear material subject to the Agreement and the detailed provisions thereof will be set out in the Administrative Arrangement.
3. An Administrative Arrangement established pursuant to this Article may be amended by written agreement between the appropriate authorities of the Parties.

ARTICLE 17 - INTELLECTUAL PROPERTY

1. The Parties shall apply international rules they have both formally accepted governing the treatment of intellectual property and technology transfers to intellectual property created or transferred and technology transferred pursuant to this Agreement.
2. Annex B shall apply to intellectual property created or transferred and technology transferred pursuant to this Agreement.
3. The Parties shall ensure that individual agreements they enter into pursuant to Annex B are consistent with this Agreement and with any additional rules concerning treatment of sensitive or confidential information in the nuclear field that may be agreed by the Parties.

ARTICLE 18 - STATUS OF ANNEXES

The Annexes form an integral part of this Agreement and, unless expressly provided otherwise, a reference to this Agreement includes its Annexes.

ARTICLE 19 - TERMINATION OF EXISTING AGREEMENTS

1. The Agreement between the European Atomic Energy Community and the Government of the United States of America that entered into force on 27 August 1958

shall be terminated upon the entry into force of this Agreement. The Additional Agreement for Cooperation between the United States of America and the European Atomic Energy Community (Euratom) that entered into force on 25 July 1960, as subsequently amended, shall expire as provided for in Article VI of that Agreement or shall be terminated upon entry into force of this Agreement, whichever is the earlier.

2. The bilateral nuclear cooperation agreements that the United States of America has concluded with the Republic of Austria, on 11 July 1969, the Kingdom of Spain, on 20 March 1974, the Portuguese Republic, on 16 May 1974, the Kingdom of Sweden, on 19 December 1983, and the Republic of Finland, on 2 May 1985, shall be terminated upon the entry into force of this Agreement. The rights and obligations with respect to nuclear supply arising out of such agreements shall be replaced by those of this Agreement.

3. The rights and obligations with respect to nuclear supply arising out of a nuclear cooperation agreement between the United States of America and any third State that accedes to the Community after the entry into force of this Agreement shall be replaced by those of this Agreement upon accession by that State to the Community. The rights and obligations with respect to other areas of nuclear cooperation shall be the subject of negotiations between the Community, the United States of America and the third State concerned, in accordance with the provisions of Article 106 of the Euratom Treaty.

ARTICLE 20 - INITIAL INVENTORIES

1. The provisions of this Agreement shall apply to the inventory of nuclear material formerly subject to the agreements referred to in Article 19 from the date upon which such agreements terminate.

2. The provisions of this Agreement shall apply to equipment and non-nuclear material transferred pursuant to the agreements referred to in Article 19 only to the extent covered by those agreements.

3. The inventories of nuclear material, equipment and non-nuclear material subject to the agreements referred to in Article 19 shall be approved by the appropriate authorities of the Parties.

ARTICLE 21 - DEFINITIONS

For the purposes of this Agreement:

1. "Parties" means the Government of the United States of America and the European Atomic Energy Community.

2. (a) "Community" means both:

I. the legal person created by the Treaty establishing the European Atomic Energy

Community (Euratom), Party to this Agreement;

II. the territories to which the Euratom Treaty applies;

(b) "within the Community" means within the territories to which the Euratom Treaty applies;

(c) "beyond the Community" has the corresponding meaning.

3. "Appropriate authority" means, in the case of the United States of America, the Department of State; in the case of the Community, the European Commission, or such other authority as the Party concerned may at any time notify to the other Party.

4. "Equipment" means any reactor as a complete unit, other than one designed or used primarily for the formation of plutonium or uranium-233 or any other item so designated jointly by the appropriate authorities of the Parties.

5. "Non-nuclear material" means heavy water, or any other material suitable for use in a reactor to slow down high velocity neutrons and increase the likelihood of further fission, as may be jointly designated by the appropriate authorities of the Parties.

6. "Nuclear material" means (1) source material and (2) special fissionable material. "Source material" means uranium containing the mixture of isotopes occurring in nature; uranium depleted in the isotope 235; thorium; any of the foregoing in the form of metal, alloy, chemical compound, or concentrate; any other material containing one or more of the foregoing in such concentration as the Board of Governors of the IAEA shall from time to time determine; and such other materials as the Board of Governors of the Agency may determine or as may be agreed by the appropriate authorities of both Parties. "Special fissionable material" means plutonium, uranium-233, uranium enriched in the isotope 233 or 235, any substance containing one or more of the foregoing, and such other substances as the Board of Governors of the Agency may determine or as may be agreed by the appropriate authorities of both Parties. "Special fissionable material" does not include "source material". Any determination by the Board of Governors of the Agency under Article XX of that Agency's Statute or otherwise that amends the list of materials considered to be "source material" or "special fissionable material" shall only have effect under this Agreement when both Parties to this Agreement have informed each other in writing that they accept such amendment.

7. "High enriched uranium" means uranium enriched to more than twenty percent in the isotope 235 (and/or uranium 233); "low enriched uranium" means uranium enriched to twenty percent or less in the isotope 235 (and/or uranium 233);

8. The following definitions relate to Article 17 and Annex B:

- "Cooperative activity" means any joint activity carried on under this Agreement, and

includes joint research;

- "Information" means scientific or technical data, results or methods of research and development stemming from the joint research and any other information deemed necessary to be provided or exchanged under this Agreement or research pursuant thereto;

- "Joint research" means research undertaken jointly by the Parties directly or on their behalf by a person, legal entity, research institute or other body designated by a Party or research undertaken jointly by participants;

- "Participant" means a person, legal entity, research institute or other body participating in joint research but not on behalf of one of the Parties.

9. "Persons and undertakings" means any natural person who, and any undertaking or institution, whatever its public or private legal status, which pursues all or any of its activities within the Community or in the territory of the United States of America within the scope of this Agreement.

10. "Alteration in form or content" means conversion of plutonium, high enriched uranium or uranium 233 or fabrication of fuel containing plutonium, high enriched uranium or uranium 233; it does not include post irradiation examination involving chemical dissolution or separation, disassembly or reassembly of fuel assemblies, irradiation, reprocessing or enrichment.

11. "Storage facility" means any facility (or any part of a facility so designated by inclusion in one of the lists referred to in Article 8.3) the primary purpose and function of which is the separate storage of sensitive nuclear material as described in paragraphs (i), (ii) and (iii) of Article 8.3 under adequate conditions of control, safety and safeguards as well as of physical protection as described in Article 11.2.

In witness whereof the undersigned, being duly authorized thereto by the Government of the United States of America and the European Atomic Energy Community respectively, have signed this Agreement.

Done at Brussels this day of , 1995 and
at Washington this day of , 1995, in
duplicate, in the Danish, Dutch, English, Finnish, French, German,
Greek, Italian, Portuguese, Spanish and Swedish languages, each text
being equally authentic.

For the
European Atomic Energy Community

For the
United States of America

AGREED MINUTE

During the negotiation of the Agreement for Cooperation in the peaceful uses of nuclear energy between the United States of America and the Community signed today, the following understandings, which shall be an integral part of the Agreement, were reached.

A. PEACEFUL PURPOSES

1. The Parties agree that, with reference to Article 7, "peaceful purposes" includes provision of power for a military base drawn from any power network or production of radioisotopes to be used for medical purposes in a military hospital.

B. NUCLEAR FUEL CYCLE ACTIVITIES

2. Upon entry into force of this Agreement, the Parties shall exchange lists of third countries to which retransfers pursuant to Article 8.1(C)(i) may be made by the other Party. Eligibility for continued inclusion on such lists shall be based, as a minimum, upon satisfaction of the following criteria:

B third countries must have made effective non-proliferation commitments, normally by being party to, and in full respect of their obligations under the Non-Proliferation Treaty or the Treaty of Tlatelolco and by being in compliance with the conditions of INFCIRC 254/REV 1/Part 1, and

B in case of retransfer of items obligated to the United States from the territory of the Member States of the Community, third countries must be party to a nuclear cooperation agreement with the United States.

3. Should retransfers pursuant to Article 8.1(C)(ii) and (iii) be requested in the future by a Party, a list of third countries to which such retransfers may be made, shall be provided by the other Party. In this connection, the Parties shall take into account the following additional criteria:

B consistency of the proposed action with the guidelines contained in IAEA document INFCIRC 225/REV 3 and with the provisions of IAEA document INFCIRC 274/REV 1, as they may be revised and accepted by the Parties and the Member States;

B the nature and content of the peaceful nuclear programs of the third country in question;

B the potential proliferation and security implications of the transfer for either Party or a Member State of the Community.

4. Either Party may add eligible third countries to its lists at any time. Either Party may delete third countries from its lists following consultations with the other Party. Neither Party shall delete third countries from its lists for the purpose of obtaining commercial advantage or of delaying, hampering or hindering the peaceful nuclear programmes of the other Party or its peaceful nuclear cooperation with third countries. The Parties will cooperate in efforts to obtain as soon as possible on a generic basis a confirmation from the third countries on the lists that any retransferred items will be subject to any agreement for cooperation in force between the receiving country and the non-retransferring Party. The receipt of such confirmation shall not constitute a pre-condition for the addition of a third country to the lists.

Retransfers to third countries not included on the lists may be considered on a case by case basis.

5. The Parties agree that, notwithstanding the provisions of paragraphs 2, 3 and 4, the provisions set out in the Exchange of Notes dated 18 July 1988 between the Commission of the European Communities and the United States Mission to the European Communities concerning the Agreement for Cooperation in the Peaceful Uses of Nuclear Energy between the United States of America and Japan shall remain in effect as long as this Agreement remains in force. The Parties confirm that the abovementioned provisions shall apply, inter alia, to plutonium contained in mixed oxide fuel. The consents granted therein may be suspended only if an event of the same or greater degree of seriousness as those referred to in paragraph 8 arises which directly threatens either the retransfer or the activities involving the retransferred plutonium in Japan.

6. With reference to paragraph 2 of Article 8 of the Agreement and notwithstanding paragraph 6 of Article 14, either Party, acting through its appropriate authorities, may make changes to the peaceful nuclear programmes it has delineated by notifying the other Party in writing in accordance with the procedures set forth below and receiving a written acknowledgement.

7. Such acknowledgement shall be given no later than thirty days after the receipt of the notification and shall be limited to a statement that the notification has been received. Intended changes in delineated programmes shall receive the fullest possible consideration during consultations under the Agreement, which may include an exchange of information and views on safeguards matters of mutual interest.

- (A) For an addition of a facility within its territorial jurisdiction to the peaceful nuclear programme delineated by the Community, the notification shall contain:
- (i) the name, type and location of the facility and its existing or planned capacity;
 - (ii) a confirmation that the Euratom Safeguards Regulation 3227/76, as

amended, is fully applied;

- (iii) for a facility to be under IAEA safeguards inspections pursuant to a safeguards agreement referred to in paragraph 1(a), (b) or (c) of Article 6, a confirmation that relevant safeguards arrangements have been agreed upon with the IAEA and that those arrangements will permit the IAEA to exercise fully its rights pursuant to the aforementioned safeguards agreements, in the light of how these agreements are implemented during the life of this Agreement and so as to enable the IAEA to meet its objectives and inspection goal;
 - (iv) such non-confidential information as is available to the Community on the IAEA safeguards approach and non-confidential information on Euratom safeguards relevant to the facility;
 - (v) a confirmation that physical protection measures as required by Article 11 of this Agreement will be applied.
- (B) For an addition of a facility within its territorial jurisdiction to the delineated peaceful nuclear programme of the United States, the notification shall contain:
- (i) the name, type and location of the facility and its existing or planned capacity;
 - (ii) for facilities licensed or certified by the United States Nuclear Regulatory Commission, a confirmation that the Fundamental Nuclear Material Control Plan, describing how the requirements of the US Code of Federal Regulations, Title 10, Part 74, as amended, will be met, has been approved for the facility; for United States Department of Energy civil facilities, a confirmation that the facility is in compliance with the requirements of the Department of Energy Order 5633.3B, "Control and Accountability of Nuclear Materials" and associated guides, as amended;
 - (iii) for a facility to be under IAEA safeguards inspections pursuant to the safeguards agreement referred to in paragraph 1(d) of Article 6, a confirmation that the relevant safeguards arrangements have been agreed upon with the IAEA and that those arrangements will permit the IAEA to exercise fully its rights pursuant to the aforementioned safeguards agreement, in the light of how this agreement is implemented during the life of this Agreement and so as to enable the IAEA to meet its objectives and inspection goal;
 - (iv) information on the basic features contained in the Fundamental

Nuclear Material Control Plan or the compliance with the Department of Energy Order referred to above, and such non-confidential information as is available to the United States on the IAEA safeguards approach; and

- (v) a confirmation that physical protection measures as required by Article 11 of this Agreement will be applied.
- (C) Either Party may delete a facility from the peaceful nuclear programme it has delineated, by providing to the other Party a notification containing the facility name and other relevant information available.
8. A. The activities referred to in paragraph 2 of Article 8 of this Agreement may proceed as long as those provisions continue in effect with respect to the peaceful nuclear programme delineated by a Party, unless the other Party considers, pursuant to the procedures set out below, that these activities should be suspended on the basis of objective evidence that their continuation would entail a serious threat to the security of either Party or of a Member State of the Community, or a significant increase in the risk of a nuclear proliferation, resulting from a situation of the same or greater degree of seriousness as the following:
- (a) With regard to the Community:
 - (i) a non-nuclear-weapon State member of the Community detonates a nuclear weapon or any other nuclear explosive device;
 - (ii) a nuclear-weapon State member of the Community detonates a nuclear weapon or any other nuclear explosive device using any item subject to this Agreement;
 - (iii) a Member State of the Community or the Community, as relevant, materially violates, terminates, or declares itself not to be bound by, the Non-Proliferation Treaty or the relevant safeguards agreements referred to in Article 6.1, or the Guidelines applicable to the transfers of nuclear items laid down in document INFCIRC 254/REV 1/Part 1, as it may be revised and accepted by the Parties;
 - (iv) a Member State of the Community retransfers an item subject to this Agreement

to a non-nuclear-weapon State which has not concluded a full-scope safeguards Agreement with the IAEA;

- (v) a Member State of the Community is subjected to measures taken by the Board of Governors of the IAEA, pursuant to Article 19 of the relevant safeguards Agreement referred to in Article 6.1(a), (b) or (c);
 - (vi) acts of war or serious internal disturbances preventing the maintenance of law and order, or serious international tension constituting a threat of war, that threaten severely and directly the safeguarding or physical protection of such activities.
- (b) With regard to the United States:
- (i) the United States detonates a nuclear weapon or any other nuclear explosive device using any item subject to this Agreement;
 - (ii) the United States materially violates, terminates or declares itself not to be bound by, the Non-Proliferation Treaty or the relevant safeguards agreement referred to in Article 6.1.(d), or the Guidelines applicable to the transfers of nuclear items laid down in document INFCIRC 254/REV 1/Part 1, as it may be revised and accepted by the Parties;
 - (iii) the United States retransfers an item subject to this Agreement to a non-nuclear-weapon State which has not concluded a full-scope safeguards agreement with the IAEA;
 - (iv) the United States is subjected to measures taken by the Board of Governors of the IAEA, pursuant to Article 18 of the safeguards Agreement referred in Article 6.1(d);

(v) acts of war or serious internal disturbances preventing the maintenance of law and order or serious international tension constituting a threat of war, that threaten severely and directly the safeguarding or physical protection of such activities.

- B. The Party considering that such objective evidence may exist, shall consult with the other Party, at Cabinet level for the United States and at European Commission level for the Community, before reaching any decision.
- C. Any such decision that such objective evidence does exist, and that activities referred to in paragraph 2 of Article 8 should therefore be suspended, shall be taken only by the President of the United States or by the Council of the European Union, as the case may be, and shall be notified in writing to the other Party.
- D. Any decision taken by a Party pursuant to this paragraph shall apply to the activities of the other Party referred to in Article 8, paragraph 2 of this Agreement, taken as a whole.
- E. The Parties confirm that, as of the time of entry into force of this Agreement, there exists no objective evidence of any of the threats referred to above and that they do not foresee any such threats developing in the future.

9. Actions of governments of third countries or events beyond the territorial jurisdiction of either Party shall not be used as a basis for invoking the provisions of paragraph 8 with respect to activities or facility operations within that Party's territorial jurisdiction unless, due to such actions or events, those activities or facility operations would clearly result in a significant increase in the risk of nuclear proliferation or in a serious threat to the security of the Party invoking the provisions of paragraph 8.

10. The Party invoking the provisions of paragraph 8 shall keep under constant review the development of the situation which prompted the decision and shall withdraw its invocation as soon as warranted.

11. The provisions of paragraph 8 shall not be invoked due to differences over the nature of the Parties' peaceful nuclear programmes or fuel cycle choices, or for the purpose of obtaining commercial advantage, or of delaying, hampering or hindering the peaceful nuclear programmes or activities of the other Party, or its peaceful nuclear cooperation with third countries.

12. Any decision to invoke the provisions of paragraph 8 shall only be taken in the most

extreme circumstances of exceptional concern from a non-proliferation or security point of view and shall be applied for the minimum period of time necessary to deal in a manner acceptable to the Parties with the exceptional case.

13. Should the activities agreed upon in paragraph 2 of Article 8 of the Agreement be suspended, as provided in paragraph 8, quantities of nuclear material equivalent to the inventory described in Article 20.1 shall, at the option of the Party against which the suspension is applied, be regarded during such suspension as subject to this Agreement but only to the extent covered by the agreements referred to in Article 19.

C. PROPORTIONALITY

14. For the purpose of implementing the provisions of Article 8 and paragraphs 2-5 of Article 13 with respect to special fissionable material produced through the use of nuclear material and/or non-nuclear material transferred pursuant to the Agreement, when such nuclear material and/or non-nuclear material is used in equipment not so transferred, such provisions shall be applied to that proportion of special fissionable material produced that represents the ratio of transferred nuclear material and/or non-nuclear material used in the production of the special fissionable material to the total amount of nuclear material and/or non-nuclear material so used.

D. RESULTING OBLIGATIONS

15. The obligations arising out of Article 6, 7 and 11 in relation to special fissionable material produced through the use of nuclear material subject to the Agreement in equipment not transferred under the Agreement may be satisfied without specific tracking of that special fissionable material. When such special fissionable material is subsequently used in equipment not so transferred, that equipment shall, during such use, be operated for peaceful applications only.

E. SUSPENSION AND TERMINATION

16. Both sides regard it as extremely unlikely that actions would be taken by the Community, its Member States or the United States of America which would cause the other Party to invoke the rights specified in Article 13. Nonetheless this Article reflects the firm conviction of both Parties that they would view with the utmost concern acts constituting a material violation or breach of non-proliferation commitments by any country and that appropriate actions such as those provided for in Article 13 would be taken by the Community, its Member States or the United States of America in response to any material violation of non-proliferation commitments.

17. No violation may be considered as being material unless corresponding to the definition of material violation or breach contained in the Vienna Convention on the Law of Treaties.

18. Additionally, a determination as to whether there has been a material violation of the fundamental safeguards commitments contained in the safeguards Agreements referred to in Article 6.1. or in such other agreement as may amend or replace them, would only be made by the President of the United States of America or the Council of the European Union, as relevant. In making such a determination, a crucial factor will be whether the Board of Governors of the Agency has made a finding of non-compliance.

ANNEX A (Article 8)

EURATOM DELINEATED PEACEFUL NUCLEAR PROGRAM

	<u>Capacity</u> ⁽¹⁾
<u>REPROCESSING FACILITIES</u>	
COGEMA B ETABLISSEMENT DE LA HAGUE LA HAGUE FRANCE	1 600
COGEMA B USINE UP-1 AND CEA SERVICE DE L'ATELIER PILOTE MARCOULE FRANCE	400
BRITISH NUCLEAR FUELS PLC SELLAFIELD UNITED KINGDOM	2 700
UKAEA GOVERNMENT DIVISION DOUNREAY UNITED KINGDOM	ca 5 (*) ca 0,2 (**)
<u>ALTERATION IN FORM OR CONTENT FACILITIES</u>	
BELGONUCLEAIRE B USINE DE FABRICATION D'ELEMENTS PU DESSEL BELGIUM	35
FBFC INTERNATIONAL B ASSEMBLAGE DES COMBUSTIBLES MOX DESSEL BELGIUM	35

(*) = MOX Fuel; (**) = HEU Fuel

⁽¹⁾ Capacity is expressed in tonnes of heavy metal per year.

				<u>Capacity</u> ⁽¹⁾
SIEMENS BRENNELEMENTEWERK B BETRIEBSTEIL MOX-VERARBEITUNG	HANAU	GERMANY		160
CERCA/ETABLISSEMENT DE ROMANS	ROMANS	FRANCE		0,2
	SUR ISÈRE			
SOCIETE INDUSTRIELLE DE COMBUSTIBLE NUCLEAIRE	VEUREY	FRANCE		0,05
COGEMA B COMPLEXE DE FABRICATION DES COMBUSTIBLES	CADARACHE	FRANCE		30
ETABLISSEMENT MELOX	MARCOULE	FRANCE		115
BRITISH NUCLEAR FUELS PLC	SELLAFIELD	UNITED KINGDOM		128
UKAEA GOVERNMENT DIVISION	DOUNREAY	UNITED KINGDOM		ca 1 (Heu) ca 1 (***)

(***) = Pu residues

US DELINEATED PEACEFUL NUCLEAR PROGRAM

- I. Facilities for reprocessing or alteration in form or content of plutonium, uranium 233 and high enriched uranium in an aggregate quantity exceeding one (1) effective kilogram.

A. Reprocessing facilities

None

B. Facilities for alteration in form or content

1. Conversion Plants

<u>Name and location</u>	<u>Type</u>	<u>Licensed capacity</u>
<hr/>		

⁽²⁾ Capacity is expressed in tonnes of heavy metal per year.

Nuclear Fuel Services Uranium downblending
P.O. Box 337, MS123,
Erwin, TN 37650

7 000 kg U-235

Radiochemistry
Processing Pilot Plant
Oak Ridge National Lab
P.O. Box X,
Oak Ridge, TN 37830

Conversion

Less than 1 000 kg of
HEU and more than
100 kg of U-233

2. Fuel Fabrication and Processing Plants

<u>Name and location</u>	<u>Type</u>	<u>Licensed capacity</u>
General Atomics enriched U, P.O. Box 81608 San Diego, CA 92138 reactors	Fuel fabrication for TRIGA research	>20% 100 kg U-235

- II. Facilities for reprocessing or alteration in form or content of plutonium, uranium 233 and high enriched uranium in an aggregate quantity not to exceed one (1) effective kilogram do not require specification.

INTELLECTUAL PROPERTY RIGHTS

Pursuant to Article 17 of this Agreement, rights to intellectual property created or furnished under this Agreement shall be allocated as provided in this Annex.

I. Application

This Annex is applicable to all cooperative activities undertaken pursuant to this Agreement, except as otherwise specifically agreed.

II. Ownership, Allocation and Exercise of Rights

1. For purposes of this Agreement "intellectual property" shall have the meaning found in Article 2 of the Convention establishing the World Intellectual Property Organization, done at Stockholm, 14 July 1967.
2. This Annex addresses the allocation of rights, interests and royalties between the Parties and participants. Each Party shall ensure that the other Party may obtain the rights to intellectual property allocated to it in accordance with this Annex. This Annex does not otherwise alter or prejudice the allocation between a Party and its nationals, which shall be determined by that Party's laws and practices.
3. Termination or expiry of this Agreement shall not affect rights or obligations under this Annex.
4. (a) In the case of cooperative activities between the Parties, intellectual property arising from joint research, i.e., cooperative research supported by both Parties, shall be treated in a Technology Management Plan according to the following principles:
 - (i) The Parties shall notify each other within a reasonable time of any intellectual property rights arising under this Agreement (or relevant implementing arrangements).
 - (ii) Unless otherwise agreed, rights and interests in intellectual property created during joint research shall be exploitable by either Party

without territorial restriction.

- (iii) Each Party shall seek protection for the intellectual property to which it obtains rights and interests under the Technology Management Plan in a timely fashion.
 - (iv) Each Party shall have a non-exclusive, irrevocable, royalty-free license to use any intellectual property arising under the Agreement for research and development purposes only.
 - (v) Visiting researchers shall receive intellectual property rights and royalty shares earned by the host institutions from licensing of such intellectual property rights under the policies of the host institutions.
- (b) In all other cases, to the extent required by its laws and regulations, each Party shall require all its participants to enter into specific agreements concerning the implementation of joint research and the respective rights and obligations of the participants. With respect to intellectual property, the agreement will normally address, among other things, ownership, protection, user rights for research and development purposes, exploitation and dissemination, including arrangements for joint publication, the rights and obligations of visiting researchers and dispute settlement procedures. The agreement may also address foreground and background information, licensing and deliverables.
5. While maintaining the conditions of competition in areas affected by the Agreement, each Party shall endeavour to ensure that rights acquired pursuant to this Agreement and arrangements made under it are exercised in such a way as to encourage, in particular (i) the use of information created, or otherwise made available, under the Agreement and its dissemination insofar as this is in accordance both with the conditions set out in this Agreement, the provisions of section IV hereof and any rules which may be in force under the Parties' domestic laws governing treatment of sensitive or confidential information in the nuclear field, and (ii) the adoption and implementation of international standards.

III. Copyright works

Consistent with the terms of this Agreement, copyright belonging to the Parties or to participants shall be accorded treatment consistent with the Agreement on Trade Related Aspects of Intellectual Property Rights administered by the World Trade Organization.

IV. Scientific Literary Works

Subject to the treatment provided for undisclosed information in section V, the following procedures shall apply:

1. Each Party shall be entitled to a non-exclusive, irrevocable, royalty-free licence in all countries to translate, reproduce and publicly distribute information contained in scientific and technical journals, articles, reports, books, or other media, directly arising from joint research pursuant to this Agreement by or on behalf of the Parties.
2. All publicly distributed copies of a copyrighted work prepared under this provision shall indicate the names of the authors of the work unless an author explicitly declines to be named. They shall also bear a clearly visible acknowledgment of the cooperative support of the Parties.

V. Undisclosed Information

A. Documentary undisclosed information

1. Each Party and the participants shall identify at the earliest possible moment the information that they wish to remain undisclosed in relation to this Agreement, taking account, inter alia, of the following criteria:
 - B the information is secret in the sense that it is not, as a body or in the precise configuration or assembly of its components, generally known or readily accessible by lawful means;
 - B the information has actual or potential commercial value by virtue of its secrecy;
 - B the information has been subject to steps that were reasonable under the

circumstances by the person lawfully in control, to maintain its secrecy.

The Parties or the participants may in certain cases agree that, unless otherwise indicated, parts or all of the information provided, exchanged or created in the course of joint research pursuant to this Agreement may not be disclosed.

2. Each Party or participant shall ensure that undisclosed information under the Agreement and its ensuing privileged nature is readily recognizable as such by the other Party or participant, for example by means of an appropriate marking or restrictive legend. This also applies to any reproduction of the said information, in whole or in part.

A Party or participant receiving undisclosed information pursuant to such agreement shall respect the privileged nature thereof. These limitations shall automatically terminate when this information is disclosed by the owner without restriction.

3. Undisclosed information communicated under this Agreement may be disseminated by the receiving Party or participant to persons employed by the receiving Party or participant including its contractors, and other concerned departments of the Party or participant authorized for the specific purposes of the joint research underway, provided that any undisclosed information so disseminated shall be protected to the extent provided by each Party's laws and regulations and shall be readily recognizable as such, as set out above.

B. Non-documentary undisclosed information

Non-documentary undisclosed or other confidential or privileged information provided in seminars and other meetings arranged under the Agreement, or information arising from the attachment of staff, use of facilities, or joint projects, will be treated by the Parties or their designees according to the principles specified for documentary information in the Agreement, provided, however, that the recipient of such undisclosed or other confidential or privileged information has been made aware

in writing of the confidential character of the information communicated not later than the time such a communication is made.

C. Control

Each Party shall endeavour to ensure that undisclosed information received by it under this Agreement shall be controlled as provided herein. If one of the Parties becomes aware that it will be, or may be reasonably expected to become, unable to meet the non-dissemination provisions of paragraphs A and B above, it shall immediately inform the other Party. The Parties shall thereafter consult to define an appropriate course of action.

VI. Dispute Settlement and New Types and Unforeseen Intellectual Property

1. Disputes between the Parties concerning intellectual property shall be resolved in accordance with Article 12 of this Agreement.
2. In the event either Party or a participant concludes that a new type of intellectual property not covered in a TMP or agreement between participants may result from a cooperative activity undertaken pursuant to this Agreement, or if other unforeseen difficulties arise, the Parties shall enter into immediate discussions with the object of assuring that the protection, exploitation and dissemination of the intellectual property in question are adequately provided for in their respective territories.