

**AGREEMENT FOR COOPERATION BETWEEN THE TAIPEI
ECONOMIC AND CULTURAL REPRESENTATIVE OFFICE IN
THE UNITED STATES AND THE AMERICAN INSTITUTE IN
TAIWAN CONCERNING PEACEFUL USES OF NUCLEAR
ENERGY**

The Taipei Economic and Cultural Representative Office in the United States ("TECRO") and the American Institute in Taiwan ("AIT"),

REAFFIRMING their commitment, and that of the authorities they represent, to ensuring that the international development and use of nuclear energy for *peaceful purposes* are carried out under arrangements that will to the maximum possible extent further the objectives of the Treaty on the Non-Proliferation of Nuclear Weapons done at London, Moscow and Washington on July 1, 1968 (hereinafter referred to as "the NPT");

AFFIRMING their support, and that of the authorities they represent, for the safeguards system of the International Atomic Energy Agency ("IAEA"), including the Additional Protocol;

DESIRING to cooperate in the development, use, and control of peaceful uses of nuclear energy;

MINDFUL that peaceful nuclear activities must be undertaken with a view to protecting the international environment from radioactive, chemical, and thermal contamination;

AFFIRMING in particular the goal of pursuing the safe, secure, and environmentally sustainable development of civil nuclear energy for *peaceful purposes* and in a manner that supports nuclear nonproliferation and international safeguards;

RECOGNIZING in this regard the importance of the Joint Convention on the Safety of Spent Fuel Management and on the Safety of Radioactive Waste Management, done at Vienna on September 5, 1997, and the Convention on Nuclear Safety, done at Vienna on June 17, 1994;

TAKING NOTE OF the intent of the authorities represented by TECRO to rely on existing international markets as an alternative to the pursuit of enrichment and reprocessing, and the intent of the authorities represented by AIT to support these international markets in order to ensure a reliable supply of the fuel cycle services necessary to implement a peaceful nuclear energy program;

RECALLING the Agreement for Cooperation Between the Government of the United States of America and the Government of the Republic of China Concerning the Civil Uses of Atomic Energy, signed on April 4, 1972, as amended and extended on March 15, 1974 (hereinafter “the 1972 Agreement for Cooperation”);

RECALLING also the Agreement Between the International Atomic Energy Agency, the Government of the Republic of China and the Government of the United States of America for the Application of Safeguards, signed on December 6, 1971 (hereinafter “the Safeguards Transfer Agreement”);

RECOGNIZING that, in accordance with Sec. 4.(c) of the Taiwan Relations Act (P.L. 96-8, 22 U.S.C. 3301 et seq.), the 1972 Agreement

for Cooperation and the Safeguards Transfer Agreement have continued in force according to their terms;

NOTING that the IAEA continues to apply safeguards under the Safeguards Transfer Agreement to *source material* and *special fissionable material* transferred under the 1972 Agreement for Cooperation;

HAVE AGREED AS FOLLOWS:

ARTICLE 1 - DEFINITIONS

For the purposes of this Agreement and the *Agreed Minute*:

(A) “*Agreed Minute*” means the minute annexed to this Agreement, which is an integral part hereof;

(B) “*Authorized person*” means any individual or any entity subject to the jurisdiction of the authorities represented by either *Party* and authorized by that *Party* to conduct activities subject to this Agreement but does not include the *Parties* to this Agreement or the authorities they represent;

(C) “*Byproduct material*” means any radioactive material (except *special fissionable material*) yielded in or made radioactive by exposure to the radiation incident to the process of producing or utilizing *special fissionable material*;

(D) “*Component*” means a component part of *equipment*, or other item so designated by agreement of the *Parties*;

(E) “*Conversion*” means any of the normal operations in the nuclear fuel cycle, preceding fuel fabrication and excluding enrichment, by which uranium is transformed from one chemical form to another -- for example, from UF₆ to UO₂ or from uranium oxide to metal;

(F) “*Decommissioning*” means the actions taken at the end of a facility's useful life to retire the facility from service in a manner that provides adequate protection for the health and safety of the decommissioning workers and the general public, and for the environment. These actions can range from closing down the facility and a minimal removal of *source material* and *special fissionable material* coupled with continuing maintenance and surveillance, to a complete removal of residual radioactivity in excess of levels acceptable for unrestricted use of the facility and its site;

(G) “*Designated representatives*” with respect to TECRO refers to the Taiwan Atomic Energy Council or any successor agencies, as appropriate, and with respect to AIT refers to the U.S. Department of Commerce, the U.S. Department of Defense, the U.S. Department of Energy, the U.S. Department of State, or the U.S. Nuclear Regulatory Commission, as appropriate. In case of a change in its *designated representatives* or designation of additional such *designated representatives*, a *Party* shall inform the other *Party* in writing;

(H) “*Equipment*” means any *reactor*, as a complete unit, other than one designed or used primarily for the formation of plutonium or uranium 233, reactor pressure vessel, reactor calandria, complete reactor control rod drive system, reactor primary coolant pump, on-line reactor fuel

charging and discharging machine, or any other item so designated by agreement of the *Parties*;

(I) “*High enriched uranium*” means uranium enriched to twenty percent or greater in the isotopes 235 or 233;

(J) “*Information*” means scientific, commercial, or technical data or information in any form that is appropriately designated by agreement of the *Parties* to be provided or exchanged under this Agreement, except technical data that is in the public domain;

(K) “*Low enriched uranium*” means uranium enriched to less than twenty percent in the isotopes 235 or 233;

(L) “*Major critical component*” means any part or group of parts essential to the operation of a *sensitive nuclear facility*;

(M) “*Material*” means *source material, special fissionable material, byproduct material, radioisotopes other than byproduct material, moderator material, or any other such substance so designated by agreement of the Parties*;

(N) “*Moderator material*” means heavy water or graphite or beryllium of a purity suitable for use in a *reactor* to slow down high velocity neutrons and increase the likelihood of further fission, or any other such substance so designated by agreement of the *Parties*;

(O) “*Parties*” means the Taipei Economic and Cultural Representative Office in the United States (TECRO), on behalf of the authorities it

represents, and the American Institute in Taiwan (AIT), on behalf of the authorities it represents;

(P) "*Peaceful purposes*" include the use of *information, material, equipment, and components* in such fields as research, power generation, medicine, agriculture, and industry but do not include use in, research on, or development of any nuclear explosive device, or any military purpose. Military purposes shall not include the supply of electricity to a military base from any power network, production of radioisotopes to be used for medical purposes in a military environment for diagnostics, therapy and sterilization, and other similar purposes as may be agreed by the *Parties*;

(Q) "*Person*" means any individual or any entity subject to the jurisdiction of the authorities represented by either *Party* but does not include the *Parties* to this Agreement or the authorities they represent;

(R) "*Reactor*" means any apparatus, other than a nuclear weapon or other nuclear explosive device, in which a self-sustaining fission chain reaction is maintained by utilizing uranium, plutonium or thorium or any combination thereof;

(S) "*Restricted Data*" means all data concerning (1) design, manufacture or utilization of nuclear weapons, (2) the production of *special fissionable material*, or (3) the use of *special fissionable material* in the production of energy, but shall not include data of the authorities represented by a *Party* that such authorities have declassified or removed from the category of *Restricted Data*;

(T) "*Sensitive nuclear facility*" means any facility designed or used primarily for uranium enrichment, reprocessing of nuclear fuel, heavy water production, or fabrication of nuclear fuel containing plutonium;

(U) “*Sensitive nuclear technology*” means any *information* (including *information* incorporated in *equipment* or an important *component*) that is not in the public domain and that is important to the design, construction, fabrication, operation, or maintenance of any *sensitive nuclear facility*, or any other such *information* that may be so designated by agreement of the *Parties*;

(V) “*Source material*” means (1) uranium, thorium, or any other material so designated by agreement of the *Parties*, or (2) ores containing one or more of the foregoing materials in such concentration as the *Parties* may agree from time to time;

(W) “*Special fissionable material*” means (1) plutonium, uranium 233, or uranium enriched in the isotope 235, or (2) any other material so designated by agreement of the *Parties*.

ARTICLE 2 - SCOPE OF COOPERATION

1. Cooperation in the development and use of nuclear energy for *peaceful purposes* under this Agreement shall be in accordance with the provisions of this Agreement and applicable legal obligations, including, as appropriate, treaties, international agreements, domestic laws, regulations, and/or license requirements.

2. Transfer of *information, material, equipment, and components* under this Agreement may be undertaken directly between the *Parties* or through their *designated representatives* or through other *authorized persons*. Such transfers shall be subject to this Agreement and to such additional terms and conditions as may be agreed by the *Parties*.

3. The *Parties*, through their *designated representatives* or through other *authorized persons*, intend to cooperate in the following areas:

(A) Development of requirements for grid-appropriate power *reactors* and fuel service arrangements for the authorities represented by TECRO;

(B) Promotion of the establishment of a reliable source of nuclear fuel for future civil nuclear *reactors* deployed within the territory of the authorities represented by TECRO;

(C) Development of the use of civil nuclear energy in a manner that supports global efforts to prevent nuclear proliferation;

(D) Civil nuclear energy training, human resource and infrastructure development, participation in international and regional research, and appropriate application of civil nuclear energy, and related energy technology, consistent with the highest standards of safety, security and nonproliferation;

(E) Application of radioisotopes and radiation in industry, agriculture, medicine, and the environment;

(F) Radiation protection and management of radioactive waste and spent fuel;

(G) Promotion of participation in international conferences and activities related to safety, security, and safeguards;

(H) Promotion of participation in cooperation relevant to compensation for nuclear damage; and

(I) Other areas of cooperation as may be determined by agreement of the *Parties*.

4. Cooperation may be undertaken by the *Parties* or their *designated representatives* or other *authorized persons* in the following forms:

(A) Exchange of scientific and technical *information* and documentation;

(B) Exchange and training of personnel;

(C) Organization of symposia and seminars;

(D) Provision of relevant technical assistance and services;

(E) Transfers of *material, equipment, and components*; and

(F) Other forms of cooperation as may be mutually agreed by the *Parties*.

ARTICLE 3 - TRANSFER OF *INFORMATION*

1. *Information* concerning the use of nuclear energy for *peaceful purposes* may be transferred. Transfers of *information* may be accomplished through various means, including reports, data banks, computer programs, conferences, visits, and assignments of staff to facilities. Fields that may be covered may include, but shall not be limited to, the following:

(A) Development, design, construction, operation, maintenance and use of *reactors*, reactor experiments, and *decommissioning*;

(B) The use of *material* in physical and biological research, medicine, agriculture, and industry;

(C) Fuel cycle studies of ways to meet future world-wide civil nuclear needs, including multilateral approaches to guaranteeing nuclear fuel supply and appropriate techniques for management and treatment of nuclear wastes;

(D) Safeguards and physical protection of *material, equipment, and components*;

(E) Health, safety, and environmental considerations related to the foregoing; and

(F) Assessing the role nuclear power may play in energy plans for the territories of the authorities represented by the *Parties*.

2. This Agreement does not require the transfer of any *information* that the *Parties*, their *designated representatives*, or the authorities represented by the *Parties* are not permitted to transfer under applicable legal obligations.

3. *Restricted Data* and *sensitive nuclear technology* shall not be transferred under this Agreement.

ARTICLE 4 - TRANSFER OF *MATERIAL, EQUIPMENT, AND COMPONENTS*

1. *Material, equipment, and components* may be transferred for applications consistent with this Agreement. *Special fissionable material* transferred to the territory of the authorities represented by TECRO under this Agreement shall be *low enriched uranium*, except (a) as provided in paragraph 4 or, (b) if agreed by the *Parties*, *special fissionable material* contained in spent fuel or waste being transferred to support spent fuel management and disposition. *Sensitive nuclear facilities* and *major critical components* thereof shall not be transferred under this Agreement.

2. *Low enriched uranium* may be transferred, including *inter alia* by sale or lease, for use as fuel in *reactors* and reactor experiments, for *conversion* or fabrication, or for such other purposes as may be agreed by the *Parties*.

3. The quantity of *special fissionable material* transferred under this Agreement shall not at any time be in excess of that quantity the *Parties* agree is necessary for any of the following purposes: use in the loading of *reactors* or in reactor experiments; the reliable, efficient, and continuous operation of *reactors* or conduct of reactor experiments; the storage of *special fissionable material* necessary for the efficient and continuous

operation of *reactors* or conduct of reactor experiments; the transfer of irradiated nuclear *material* for storage or disposition; and the accomplishment of such other purposes as may be agreed by the *Parties*.

4. Small quantities of *special fissionable material* may be transferred for use as samples, standards, detectors, targets, or for such other purposes as the *Parties* may agree. Transfers pursuant to this paragraph shall not be subject to the quantity limitations in paragraph 3.

5. AIT, through its *designated representatives*, shall endeavor to take such actions as are necessary and feasible to ensure a reliable and timely supply of nuclear fuel to the authorities represented by TECRO, including the export of nuclear fuel on a timely basis during the period of this Agreement. AIT, through its *designated representatives*, shall also consider such actions as are feasible to assist the authorities represented by TECRO in safe and secure management, storage and disposition of irradiated *special fissionable material* produced through the use of *material* or *equipment* transferred pursuant to this Agreement.

ARTICLE 5 - STORAGE AND RETRANSFERS

1. Plutonium and uranium 233 (except as contained in irradiated fuel elements), and *high enriched uranium*, transferred pursuant to this Agreement or used in or produced through the use of *material* or *equipment* so transferred shall only be stored in a facility to which the *Parties* agree.

2. *Material, equipment, and components* transferred pursuant to this Agreement and any *special fissionable material* produced through the use of any such *material* or *equipment* shall not be transferred to anyone who is not an *authorized person* or, unless the *Parties* agree, beyond the territorial jurisdiction of the authorities represented by the relevant *Party*.

3. In order to facilitate management of spent fuel and management of *source material* and *special fissionable material*, *material* transferred or *special fissionable material* produced through the use of *material* or *equipment* transferred pursuant to this Agreement may be transferred to a third party as agreed by the *Parties*, or, if AIT agrees and designates a storage or disposition option, to the territory of the authorities represented by AIT. In the event of transfer to the territory of the authorities represented by AIT, the *Parties* shall make appropriate implementing arrangements.

ARTICLE 6 - REPROCESSING, OTHER ALTERATION IN FORM OR CONTENT, AND ENRICHMENT

1. *Material* transferred pursuant to this Agreement and *material* used in or produced through the use of *material* or *equipment* so transferred shall not be reprocessed unless the *Parties* agree.

2. Plutonium, uranium 233, *high enriched uranium* and irradiated *source* or *special fissionable material* transferred pursuant to this Agreement or used in or produced through the use of *material* or *equipment* so transferred shall not be otherwise altered in form or content, except by irradiation or further irradiation, unless the *Parties* agree.

3. Uranium transferred pursuant to this Agreement or used in any *equipment* so transferred shall not be enriched after transfer unless the *Parties* agree.

ARTICLE 7 - SENSITIVE NUCLEAR FACILITIES WITHIN THE TERRITORY OF THE AUTHORITIES REPRESENTED BY TECRO

TECRO shall ensure that TECRO, the authorities represented by TECRO, or any person authorized by or who acts with the knowledge of the authorities represented by TECRO within the territory of the authorities represented by TECRO shall not possess *sensitive nuclear facilities* or otherwise engage in activities related to the enrichment or reprocessing of *material* or to the alteration in form or content (except by irradiation or further irradiation or, if agreed by the *Parties*, post-irradiation examination or spent fuel stabilization) of plutonium, uranium-233, *high enriched uranium* or irradiated *source material* or *special fissionable material*.

ARTICLE 8 - PHYSICAL PROTECTION

1. Adequate physical protection shall be maintained with respect to any *source material* or *special fissionable material* and *equipment* transferred pursuant to this Agreement and any *special fissionable material* used in or produced through the use of *material* or *equipment* so transferred.
2. To comply with the requirement in paragraph 1, each *Party*, through its *designated representatives*, shall ensure the application, at a minimum, of measures in accordance with (i) levels of physical protection at least equivalent to the recommendations published in IAEA document INFCIRC/225/Rev. 5 entitled "The Physical Protection of Nuclear Material and Nuclear Facilities" and in any subsequent revisions of that document the *Parties* agree to apply and (ii) the provisions of the Convention on the Physical Protection of Nuclear Material, done at Vienna and New York on March 3, 1980, and any amendments to the Convention that the *Parties* agree to apply.

3. The adequacy of physical protection measures maintained pursuant to this Article shall be subject to review and consultations by the *Parties* from time to time and whenever either *Party*, in consultation with its *designated representatives*, is of the view that revised measures may be required to maintain adequate physical protection.

4. The *Parties* shall keep each other informed through appropriate channels of those *designated representatives* having responsibility for ensuring that levels of physical protection for *source material* and *special fissionable material* in the territory or under the jurisdiction or control of those authorities are adequately met and having responsibility for coordinating response and recovery operations in the event of unauthorized use or handling of *material* subject to this Article. The *Parties* shall inform each other, as well, of the designated points of contact within their *designated representatives* to cooperate on matters of transportation beyond the jurisdiction of the authorities represented by the *Parties* and other matters of mutual concern.

5. The provisions of this Article shall be implemented in such a manner as to avoid undue interference in the nuclear activities within the territories or under the jurisdiction or control of the authorities represented by the *Parties*, and to be consistent with prudent management practices required for the safe and economic conduct of the nuclear programs within the territories or under the jurisdiction or control of those authorities.

ARTICLE 9 - NO EXPLOSIVE OR MILITARY APPLICATION

Material, equipment, and components transferred pursuant to this Agreement and *material* used in or produced through the use of any *material, equipment, or components* so transferred 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 10 - SAFEGUARDS

1. Cooperation under this Agreement shall require the application of IAEA safeguards with respect to all nuclear activities within the territory of the authorities represented by TECRO, under the jurisdiction of those authorities or carried out under the control of those authorities anywhere. Implementation of the Safeguards Transfer Agreement with respect to all such nuclear activities shall be considered to fulfill this requirement.

2. *Source material, special fissionable material, moderator material, and equipment* transferred to the territory, jurisdiction or control of the authorities represented by TECRO pursuant to this Agreement and any *source material or special fissionable material* used in or produced through the use of *material, equipment, or components* so transferred shall be subject to safeguards in accordance with the terms of the Safeguards Transfer Agreement and to the measures provided for in the Model Additional Protocol (published in INFCIRC/540 (Corrected)).

3. *Source material or special fissionable material* transferred to the territory, jurisdiction, or control of the authorities represented by AIT pursuant to this Agreement and any *source material or special fissionable material* used in or produced through the use of any *material, equipment, or components* so transferred shall be subject to the Agreement between the United States of America and the IAEA for the Application of Safeguards in the United States of America, done at Vienna on November 18, 1977, which entered into force on December 9, 1980, and the Additional Protocol thereto, which entered into force on January 6, 2009 (hereinafter referred to as the "IAEA Safeguards Agreement").

4. If either *Party* becomes aware of circumstances that demonstrate that the IAEA for any reason is not or will not be applying safeguards in accordance with the Safeguards Transfer Agreement and the measures described in paragraph 2 of this article, to ensure effective continuity of safeguards the *Parties* shall consult and immediately enter into arrangements involving the IAEA or solely between themselves that conform with IAEA safeguards principles and procedures, that provide assurance equivalent to that intended to be secured by the system they replace, and that conform with the coverage required by paragraph 2 of this article.

5. In the event that the IAEA Safeguards Agreement of this Article is not being applied, the authorities represented by AIT shall enter into an agreement with the IAEA for the application of safeguards that provides for effectiveness and coverage equivalent to that required by the IAEA Safeguards Agreement, or if that is not possible, the *Parties* shall immediately establish safeguards arrangements for the application of safeguards which provide for effectiveness and coverage equivalent to that provided by the IAEA Safeguards Agreement.

6. Each *Party*, acting through its *designated representatives*, shall take such measures as are necessary to maintain and facilitate the application of safeguards applicable to it provided for under this Article.

7. Each *Party*, acting through its *designated representatives*, shall establish and maintain a system of accounting for and control of *source material* and *special fissionable material* transferred pursuant to this Agreement and *source material* and *special fissionable material* used in or produced through the use of any *material, equipment, or components* so transferred and shall use this system of accounting and control to establish inventories of all *source material* and *special fissionable material* subject to this Agreement as set forth in an Administrative Arrangement established pursuant to Article 14. The procedures for this system shall be comparable to those set forth in IAEA document

INFCIRC/153 (Corrected), or in any revision of that document that the *Parties* agree to apply.

8. Each *Party*, acting through its *designated representatives*, shall establish and maintain an inventory of *moderator material*, tritium, other *material, equipment, and components* subject to this Agreement as set forth in an Administrative Arrangement established pursuant to Article 14.

9. Upon the request of either *Party*, the other *Party* shall report to the requesting *Party*, in the manner provided for in the Administrative Arrangement referred to in Article 14 of this Agreement, on the status of all inventories of *material, equipment, and components* subject to this Agreement. The *Parties* further agree that the IAEA may at the request of either *Party* supplement such bilateral reporting by reporting to either *Party* or their *designated representatives* on the status of such inventories, as applicable.

10. *Material, equipment, and components* subject to this Agreement shall remain subject to this Agreement so long as they remain in the territory of the authorities represented by the *Party* concerned or under the jurisdiction or control of those authorities anywhere or until such time as the *Parties* agree that such *material, equipment, or components* are no longer usable for any nuclear activity relevant from the point of view of safeguards.

11. The provisions of this Article shall be implemented in such a manner as to avoid hampering, delay, or undue interference in the nuclear activities within the territories or under the jurisdiction or control of the authorities represented by the *Parties* and so as to be consistent with prudent management practices required for the safe and economic conduct of such nuclear programs.

ARTICLE 11 - CESSATION OF COOPERATION
AND RIGHT OF RETURN

1. If at any time following entry into force of this Agreement:

(A) either *Party*, itself or through its *designated representatives*, materially violates the provisions of Article 5, 6, 7, 8, 9, or 10 or if the authorities represented by either *Party* take actions that would constitute a material violation of any of those provisions if taken by that *Party*; or

(B) either *Party*, itself or through its *designated representatives*, or the authorities represented by either *Party*, terminate, abrogate, or materially violate a safeguards agreement with the IAEA;

the other *Party* shall have the rights to cease further cooperation under this Agreement and to require the return of any *material, equipment, and components* transferred under this Agreement and any *special fissionable material* produced through their use.

2. If at any time following entry into force of this Agreement, TECRO, the authorities represented by TECRO, or any *person* authorized by or who acts with the knowledge of the authorities represented by TECRO and who is either within the territory of the authorities represented by TECRO or under their jurisdiction or control detonates a nuclear explosive device, AIT shall have the same rights as specified in paragraph 1 above.

3. If either *Party* exercises its rights under this Article to require the return of any *material, equipment, or components*, it shall promptly, after removal from the territory of the authorities represented by the other *Party*, reimburse the other *Party* for the fair market value of such *material, equipment, or components*.

4. In determining whether to exercise its rights under paragraph 1 of this Article based on a “material violation”, a *Party* shall consider whether the facts giving rise to the right to take such action in accordance with paragraph 1 were caused deliberately. In the event that it finds such material violation not to be deliberate, and to the extent that it judges that such material violation can be rectified, the *Party* deciding whether to exercise its rights under paragraph 1 of this Article shall endeavor, subject to the laws and regulations of the authorities represented by that *Party*, to afford the other *Party* an opportunity to cure the violation within a reasonable period.

ARTICLE 12 - CONSULTATIONS, REVIEW AND ENVIRONMENTAL PROTECTION

1. The *Parties* undertake to consult, directly or through their *designated representatives*, at the request of either *Party* regarding the implementation of this Agreement and the development of further cooperation in the field of peaceful uses of nuclear energy.

2. This Agreement shall be reviewed at any time at the request of either *Party* to take into account regional and international nonproliferation developments, international technological developments and institutional arrangements, the energy needs of the territory of the authorities represented by TECRO, or other circumstances that may warrant such a review. The terms of this Agreement may, however, only be amended as agreed between the *Parties*.

3. The *Parties* shall consult, directly or through their *designated representatives*, with regard to activities under this Agreement, to identify the international environmental implications arising from such activities and shall cooperate, through their *designated representatives*, in protecting the international environment from radioactive, chemical, or thermal contamination arising from peaceful nuclear activities under this Agreement and in related matters of health and safety.

ARTICLE 13 - SETTLEMENT OF DISPUTES

Any dispute in relation to this Agreement, including concerning the interpretation or implementation of its provisions, shall be promptly negotiated by the *Parties* with a view to resolving that dispute.

ARTICLE 14 - ADMINISTRATIVE ARRANGEMENT

1. The *Parties* shall, by mutual consent, establish an Administrative Arrangement in order to provide for the effective implementation of the provisions of this Agreement.

2. An Administrative Arrangement established pursuant to this Article may be revised in writing by the *Parties*.

3. The principles of fungibility, proportionality, and equivalence shall apply to *source material*, *special fissionable material*, and *moderator material* subject to this Agreement. Detailed provisions for applying these principles, including provisions for the tracking of *source material* and *special fissionable material* subject to this Agreement, shall be set

forth in an Administrative Arrangement established pursuant to paragraph 1 above.

ARTICLE 15 - ENTRY INTO FORCE AND DURATION

1. This Agreement shall enter into force on the date on which the *Parties* exchange letters informing each other that all applicable requirements for its entry into force have been completed, or on the date of expiration or termination of the 1972 Agreement for Cooperation, whichever is later.
2. This Agreement shall be deemed by the *Parties* as a new superseding agreement for cooperation within the meaning of Section 1(c) of the Safeguards Transfer Agreement.
3. This Agreement shall remain in force indefinitely unless terminated by either *Party* on one year's written notice to the other *Party*. Prior to termination of this Agreement, the *Parties* shall review this Agreement in accordance with the provisions of Article 12.2.
4. Notwithstanding the termination or expiration of this Agreement or any cessation of cooperation hereunder for any reason, Articles 5, 6, 7, 8, 9, 10, and 11 and the *Agreed Minute* shall continue in effect so long as any *material, equipment, or components* subject to these articles remains in the territory of the authorities represented by the *Party* concerned or under the jurisdiction or control of those authorities anywhere, or until such time as the *Parties* agree that such *material, equipment, or components* are no longer usable for any nuclear activity relevant from the point of view of safeguards.

IN WITNESS WHEREOF the undersigned, being duly authorized, have signed this Agreement.

DONE at Washington, this 20th day of December, 2013, in duplicate, in the Chinese and English languages, both texts being equally authentic.

FOR THE TAIPEI
ECONOMIC AND CULTURAL
REPRESENTATIVE OFFICE IN
THE UNITED STATES:

A handwritten signature in blue ink, appearing to read "P. Tsing-fang", with a horizontal line underneath.

FOR THE AMERICAN
INSTITUTE IN TAIWAN

Bertha J. Schuyler
Managing Director

AGREED MINUTE

During the negotiation of the Agreement for Cooperation between the Taipei Economic and Cultural Representative Office in the United States (TECRO) and the American Institute in Taiwan (AIT) Concerning Peaceful Uses of Nuclear Energy (“the Agreement”) signed today, the following understandings, which shall be an integral part of the Agreement, were reached.

The provisions of the Agreement shall not be used for the purpose of securing unfair commercial or industrial advantages, of restricting trade to the disadvantage of *persons* from the territory of the authorities represented by either *Party*, or of hampering the commercial or industrial interests, whether international or domestic, of the authorities represented by either *Party*.

1. Coverage of Agreement

a. At the time of entry into force of the Agreement, all *source material, special fissionable material*, minor actinides separated from *special fissionable material, moderator material*, tritium, and *equipment* in all nuclear activities in the territory or under the jurisdiction or control of the authorities represented by TECRO shall be subject to the Agreement as though such *material* or *equipment* had been transferred under the Agreement to the territory of the authorities represented by TECRO or to their jurisdiction or control.

b. After entry into force of the Agreement, no *source material, special fissionable material*, minor actinides separated from *special fissionable material, moderator material*, tritium, *equipment*, or *components* for use in nuclear activities shall be produced, developed, or

manufactured in the territory of, permitted to enter the territory of, or be transferred to the jurisdiction or control of, the authorities represented by TECRO, without the prior written consent of both *Parties*. Consent of the *Parties* is hereby granted for the production of *special fissionable material* from *material, equipment, or components* for which the prior written consent of the *Parties* required by this paragraph has already been granted; provided, however, that this consent does not constitute the agreement of the *Parties* required by Article 6 of the Agreement for the activities described therein.

c. After entry into force of the Agreement, all *source material, special fissionable material, minor actinides separated from special fissionable material, moderator material, tritium, and equipment* (regardless of origin) produced, developed, or manufactured in the territory of, or that are transferred for use in nuclear activities to the territory, jurisdiction, or control of the authorities represented by TECRO shall, upon the prior written consent of both *Parties* referred to in paragraph b. above, be subject to the Agreement and included in the inventories required to be established pursuant to Article 10, paragraphs 7 and 8, to the extent provided in those paragraphs.

d. After entry into force of the Agreement, all *components, and all material* not covered by paragraph c. transferred from the territory, jurisdiction, or control of the authorities represented by AIT to the territory, jurisdiction, or control of the authorities represented by TECRO shall be regarded as having been transferred pursuant to the Agreement only upon a request by AIT to TECRO and confirmation in advance of the transfer by TECRO to AIT that such *components and material* shall be subject to the Agreement and included in the inventory required to be established pursuant to Article 10, paragraph 8.

e. After entry into force of the Agreement, *components* that are transferred to the territory, jurisdiction, or control of the authorities represented by TECRO from anywhere other than the territory,

jurisdiction, or control of the authorities represented by AIT, or developed or manufactured in the territory of the authorities represented by TECRO shall be made subject to the Agreement and included in the inventory required to be established pursuant to Article 10, paragraph 8 only at the request of AIT.

f. After entry into force of the Agreement, *material, equipment, and components* transferred from the territory, jurisdiction, or control of the authorities represented by TECRO to the territory, jurisdiction or control of the authorities represented by AIT, whether directly or through a third territory, shall be regarded as having been transferred pursuant to the Agreement only upon request in advance by TECRO to AIT and confirmation by AIT to TECRO that such *material, equipment, or components* shall be subject to the Agreement.

g. With respect to the definition of “*Restricted Data*” in paragraph (S) of Article 1 of the Agreement, it is the understanding of the *Parties* that all *information* on the use of *special fissionable material* in the production of energy from standard civilian *reactors* has been declassified or removed from the category of “*Restricted Data*.”

h. With respect to paragraph 1 of Article 2 of the Agreement, AIT intends to notify TECRO, where feasible, of any international agreement entered into by the authorities represented by AIT that AIT believes will significantly impact the peaceful nuclear program within the territory of the authorities represented by TECRO, including the supply of nuclear fuel cycle services to support the operation of nuclear *reactors* for the peaceful use of nuclear energy.

2. Safeguards

a. If either *Party* becomes aware of circumstances referred to in Paragraph 4 of Article 10 of the Agreement, AIT shall have the rights listed below, to be implemented through its *designated representatives*, which rights shall be suspended if both *Parties* agree that the need to exercise such rights is being satisfied by the application of IAEA safeguards under arrangements pursuant to paragraph 4 of Article 10 of the Agreement:

- i. To review in a timely fashion the design of any *equipment* transferred pursuant to the Agreement, or of any facility that is to use, fabricate, process, or store any *material* so transferred or any *special fissionable material* used in or produced through the use of such *material* or *equipment*;
- ii. To require the maintenance and production of records and of relevant reports for the purpose of assisting in ensuring accountability for *material* transferred pursuant to the Agreement and any *source material* or *special fissionable material* used in or produced through the use of any *material*, *equipment*, or *components* so transferred; and
- iii. To designate personnel acceptable to TECRO, who shall have access to all places and data necessary to account for the *material* referred to in paragraph ii. of this Section 2.a., to inspect any *equipment* or facility referred to in paragraph i. of this Section 2.a., and to install any devices and make such independent measurements as may be deemed necessary to account for such *material*. TECRO shall not unreasonably withhold its acceptance of personnel designated by AIT under this paragraph. Such personnel shall, if TECRO requests, be accompanied by personnel designated by TECRO.

b. Upon the request of AIT, the IAEA shall be authorized to make available to AIT or its *designated representatives* requested *information* on the implementation of the Safeguards Transfer Agreement or other applicable safeguards agreement with the IAEA within the scope of cooperation under the Agreement.

3. Retransfers

a. The *Parties* agree that irradiated *source material* or *special fissionable material* subject to Article 5 and Article 6 of the Agreement may be transferred from the territory of the authorities represented by TECRO to France, or other countries or destinations as may be agreed upon in writing by the *Parties* for storage and reprocessing. All such transfers described in this paragraph a. of Section 3 shall be in compliance with the policies, laws, and regulations of the recipient country or destination, including any requirement that indicates a provisional period for the receipt and treatment of such irradiated *source material* or *special fissionable material* or that the waste produced as a result of the reprocessing be returned to the territory of the authorities represented by TECRO.

b. All such transfers described in this paragraph a. of Section 3 shall be subject to the following conditions:

- i. Prior to any such transfer, TECRO shall provide AIT with at least thirty (30) days advance notice of a proposed transfer to allow the authorities represented by AIT sufficient time to obtain confirmation from the receiving country or destination or, in the case of a proposed transfer to a country that is a member of the European Atomic Energy Community (EURATOM), from EURATOM, that *source material* and *special fissionable material* to be transferred will be held within EURATOM (if the transfer is

to a EURATOM member country) or the receiving country or destination subject to the terms and conditions of an agreement for peaceful nuclear cooperation to which the authorities represented by AIT are party and which authorizes nuclear exports from the jurisdiction of the authorities represented by AIT to EURATOM or to that country or destination, as appropriate. TECRO shall not proceed with the proposed retransfer until AIT notifies TECRO of the receipt of such confirmation.

- ii. TECRO through its *designated representatives* shall keep records of any such transfers to France or any other country or destination as may be agreed upon in writing by the *Parties* and shall upon shipment notify AIT through its *designated representatives* of each transfer.
- iii. The detailed provisions for such notifications and records shall be described in the Administrative Arrangement referred to in Article 14 of this Agreement.

c. The transfer of any *special fissionable material* recovered from any such reprocessing described in paragraph a. to the territory of the authorities represented by TECRO shall require written agreement of the *Parties* and shall be subject to the following conditions:

- i. Any such *special fissionable material* returned to the territory of the authorities represented by TECRO shall be subject to this Agreement;
- ii. Any *special fissionable material* recovered from any such reprocessing shall be transferred in the form as agreed by the *Parties*; and

iii. No later than 60 days prior to each shipment to the territory of the authorities represented by TECRO of any *special fissionable material* recovered from any such reprocessing, TECRO shall provide AIT with a written notification that shall include a statement advising that the measures arranged for the international transport are in accordance with the provisions of the Convention on the Physical Protection of Nuclear Material and its subsequent amendments that the *Parties* agree to apply.

d. The foregoing agreement regarding retransfers set forth in paragraphs a. and c. of this Section 3 may be suspended or withdrawn in whole or in part by either *Party* if that *Party* considers that one or more of the above conditions is not satisfied, or if it considers that exceptional circumstances of concern from a non-proliferation or security standpoint so require. To the extent that time and circumstances permit, the *Parties* shall consult prior to any such suspension or withdrawal. Such exceptional circumstances include, but are not limited to, a determination by either *Party* that the approval cannot be continued without a significant increase of the risk of proliferation or without jeopardizing the security of the territory of the authorities it represents.

e. The provisions of Section 3 concerning spent fuel retransfer do not limit the right of the *Parties* to agree to additional activities pursuant to the Agreement.

4. Reprocessing, Other Alteration in Form or Content, Enrichment, Storage, and Disposition

a. With respect to Article 5 and Article 6 of the Agreement, any enrichment of uranium transferred pursuant to the Agreement to which the *Parties* may agree, any reprocessing or other alteration in form or content (except for post-irradiation examination or spent fuel

conditioning) of irradiated *source material* or *special fissionable material* used in or produced through the use of *equipment* or *material* transferred pursuant to the Agreement to which the *Parties* may agree, and any storage of *special fissionable material* (except for *low enriched uranium*, *special fissionable material* contained in irradiated fuel for *reactors*, and small quantities of *special fissionable material* transferred pursuant to paragraph 4 of Article 4 of the Agreement) will take place outside the territory of the authorities represented by TECRO, in such country and facility as may be agreed by the *Parties*. The disposition of any such *special fissionable material* that may result from any of the foregoing processes or any such *special fissionable material* that is stored outside the territory of the authorities represented by TECRO will be subject to mutual agreement of the *Parties*.

b. The implementation of AIT's rights under Article 5 and Article 6 of the Agreement to consent to the activities covered by those articles will be guided by nonproliferation and safeguards considerations as well as technological and economic developments. Such implementation will not be conducted with the intent to gain any commercial or economic advantage from withholding consent and will be carried out with due consideration to the operational and economic requirements of programs and facilities within the territory of the authorities represented by TECRO.

c. The disposition of any *special fissionable material* transferred to the territory of the authorities represented by TECRO pursuant to the Agreement, and any *special fissionable material* used in or produced through the use of any *material* or *equipment* so transferred, shall require agreement of the *Parties* as provided for in Article 5 and Article 6 of the Agreement. Notwithstanding Article 5 and Article 6 of the Agreement, in the event that AIT considers that exceptional circumstances of concern from a nonproliferation standpoint so require, it may require that the disposition of any *special fissionable material* which is subject to the Agreement in the territory of the authorities represented by TECRO be in a third territory agreed to by the *Parties* or, if the authorities represented

by AIT are prepared to accept such *special fissionable material*, within the territory of such authorities. If disposition is in the territory of the authorities represented by AIT, the implementing arrangements referred to below shall include reimbursement to TECRO of the fair market value of such *special fissionable material*.

d. In the event that AIT exercises its right under this *Agreed Minute* to require disposition of *special fissionable material* in another country or in the territory of the authorities represented by AIT, or exercises its rights under Article 11 of the Agreement to require the return of any *material, equipment, or components*, the *Parties* shall make appropriate administrative implementing arrangements, and such *material, equipment, or components* shall not be subject to any further agreement between the *Parties*, notwithstanding Article 5 and Article 6 of the Agreement.

FOR THE TAIPEI
ECONOMIC AND CULTURAL
REPRESENTATIVE OFFICE IN
THE UNITED STATES



FOR THE AMERICAN
INSTITUTE IN TAIWAN

Robert J. Schuyler
Managing Director