

No. 8124

**INTERNATIONAL ATOMIC ENERGY AGENCY,
UNITED STATES OF AMERICA and URUGUAY**

Contract for the lease of enriched uranium and for the transfer of special fissionable material and certain equipment for a research reactor in Uruguay. Signed at Tokyo, on 24 September 1965

Official texts: English and Spanish.

Registered by the International Atomic Energy Agency on 21 February 1966.

**AGENCE INTERNATIONALE DE L'ÉNERGIE ATOMIQUE,
ÉTATS-UNIS D'AMÉRIQUE et URUGUAY**

Contrat pour la location d'uranium enrichi et pour la cession de produits fissiles spéciaux et de matériel destinés à un réacteur de recherche en Uruguay. Signé à Tokyo, le 24 septembre 1965

Textes officiels anglais et espagnol.

Enregistré par l'Agence internationale de l'énergie atomique le 21 février 1966.

No. 8124. CONTRACT¹ FOR THE LEASE OF ENRICHED URANIUM AND FOR THE TRANSFER OF SPECIAL FISSIONABLE MATERIAL AND CERTAIN EQUIPMENT FOR A RESEARCH REACTOR IN URUGUAY. SIGNED AT TOKYO, ON 24 SEPTEMBER 1965

WHEREAS the Government of the Oriental Republic of Uruguay (hereinafter called "Uruguay"), desiring to set up a project consisting of a training and research reactor for peaceful purposes, has requested the assistance of the International Atomic Energy Agency (hereinafter called the "Agency") in securing, among other things, certain equipment and the special fissionable material necessary for this purpose ;

WHEREAS the Board of Governors of the Agency approved the project on 24 February 1965, and the Agency and Uruguay are this day concluding an agreement² for the provision by the Agency of the assistance requested by Uruguay ;

WHEREAS the Agency and the Government of the United States of America (hereinafter called the "United States") on 11 May 1959 concluded an Agreement for Co-operation³ (hereinafter called the "Co-operation Agreement"), under which the United States undertook to make available to the Agency pursuant to its Statute⁴ certain quantities of special fissionable material ;

WHEREAS Uruguay has made arrangements with a manufacturer in the United States of America (hereinafter called the "Manufacturer") for acquiring the reactor, the fuel elements and other equipment associated with the reactor, all of which are at present stored within the Oriental Republic of Uruguay under the custody of the United States ; and

WHEREAS the United States Atomic Energy Commission (hereinafter called the "Commission"), acting on behalf of the United States, owns certain equipment and special fissionable material associated with the reactor, including a plutonium-beryllium neutron source and two fission counters and the special fissionable material contained therein ;

The Agency, the Commission and Uruguay agree as follows :

¹ Came into force on 24 September 1965, upon signature, in accordance with article XV.

² See p. 117 of this volume.

³ United Nations, *Treaty Series*, Vol. 339, p. 359.

⁴ United Nations, *Treaty Series*, Vol. 276, p. 3, and Vol. 471, p. 334.

PART I

THE FUEL MATERIAL

Article I

THE TRANSFER

Section 1. Subject to the provisions of the Co-operation Agreement, the Commission shall lease to the Agency, and the Agency shall lease from the Commission, 16,049.57 grams of uranium containing 3,182.63 grams of the isotope ^{235}U (hereinafter called the "fuel material") in 14 fuel elements, 4 control elements and 5 spare fuel plates for a 100-kilowatt Lockheed Nuclear Products training and research reactor.

Section 2. The Agency shall lease to Uruguay, and Uruguay shall lease from the Agency, the fuel material.

Section 3. The Commission shall deliver the fuel material to Uruguay, acting on behalf of the Agency, at its present storage location in Montevideo on a date to be specified by the Agency after consultation with the Commission and Uruguay. Uruguay shall accept possession of the fuel material and give appropriate written receipts therefor to the Commission on behalf of the Agency and to the Agency on behalf of Uruguay.

Section 4. Any time within thirty days after the transfer of possession of the fuel material in accordance with Section 3, the Agency or Uruguay may check the precise quantity and isotopic composition of the fuel material. The cost of the verification (including the value of any fuel elements destroyed and any consequent Consumption Charge due in accordance with Section 15 (b)) shall be borne by the party performing the verification.

Section 5. Except as provided in Article V or X, title to the fuel material shall at all times be vested in the United States.

Article II

THE RETURN

Section 6. Except as provided in Article V or X, the Agency shall be responsible to the commission for the return of all the fuel material at or before the date for the termination of the leases in accordance with Section 14.

Section 7. At or before such date of termination Uruguay shall, at the Agency's request and on its behalf, and after giving ninety days' notice to the Agency and the

Commission, return to the Commission any fuel material to which it has not obtained title in accordance with Article V or X.

Section 8. Uruguay shall pack the fuel material for shipment in containers approved for this purpose by the Agency and the Commission.

Section 9. Uruguay shall return the fuel material in accordance with appropriate health and safety measures prescribed by the Agency and the Commission, to a port of entry in the United States of America designated by the Commission after consultation with the Agency and Uruguay.

Section 10. Upon arrival of the fuel material at the port of entry the Commission shall perform the actions required to authorize the import of such material. Unless otherwise mutually agreed, Uruguay shall thereafter, at the Agency's request and on its behalf, arrange for a carrier, subject to such terms, charges and licences as may be required, to transport such material by commercial conveyance to the Commission facility or location specified by the Commission. The Commission shall accept possession of the fuel material at its specified facility or location and shall give an appropriate written receipt therefor, a certified copy of which Uruguay shall transmit to the Agency.

Section 11. The Agency or, at the Agency's request and on its behalf, Uruguay shall pay all costs for transportation within and outside the United States of America and for delivering and storing the fuel material, as well as for physically handling it in connection with the delivery and transfer ; such costs shall not be the responsibility of, nor be borne by, the Commission.

Section 12. The parties may agree that the fuel material be returned in more than one shipment, in which case the provisions of this Contract shall apply, as appropriate, to each shipment.

Article III

PERIOD OF LEASES

Section 13. The leases specified in Sections 1 and 2 shall commence at the time when, pursuant to Section 3, Uruguay, acting on behalf of the Agency, accepts possession of the fuel material. They shall terminate either at the time when, pursuant to Section 10, the Commission accepts possession upon return of the fuel material or, with respect to any material to which title is transferred pursuant to Article V or X, at the time of such transfer. The rights and obligations under Contract, insofar as not specifically restricted to the period of the leases, shall commence on the entry

into force of this Contract and shall, to the extent unfulfilled, extend beyond the termination of the leases.

Section 14. The leases shall terminate on 30 June 1967, it being understood that the parties intend to negotiate in due time concerning a renewal of these leases, or the conclusion of appropriately amended leases or another agreement. Any party may specify an earlier termination date by sixty days' notice to the other parties if any obligation of the Co-operation Agreement or of this Contract has not been fulfilled by the other parties thereto. The Agency may specify an earlier termination date :

- (i) Under the conditions specified in Article XII.A.7 and XII.C of its Statute ; or
- (ii) After consultation with or at the request of Uruguay, in case of any increase, pursuant to Section 19, in the Use or Consumption Charges above the rates indicated in Sections 15 (a) and (b) respectively.

After consultation with Uruguay the Agency may, by notification to the Commission, cancel this contract before acceptance of possession of any of the fuel material.

Article IV

PAYMENT

Section 15. Uruguay shall pay the Agency and the Agency shall pay the Commission :

- (a) A Use Charge for the fuel material, levied for the period of the leases or until it has been determined in accordance with Section 16 (b) that it is impossible to return the fuel material, and calculated in accordance with the Commission's lease provisions and its schedule of charges for enriched uranium published in the United States Federal Register (hereinafter called the "Commission's published charges") and in effect during the appropriate period. At present the Use Charge is calculated at an annual rate of 4.75% of the values specified in sub-section (b).
- (b) A Consumption Charge equal to the value of any of the fuel material lost, consumed or otherwise not returned, calculated in accordance with the Commission's published charges in effect at the time of the determination called for by Section 16 (b). The present charge is US \$ 2.23 per gram of the uranium. A Consump-