

No. 8869

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

**Contract for the lease of natural uranium and for the transfer
of plutonium for a sub-critical facility in Mexico (with
annex). Signed at Vienna, on 23 August 1967**

Official text: English.

Registered by the International Atomic Energy Agency on 22 December 1967.

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

**Contrat pour la location d'uranium naturel et pour la cession
de plutonium destinés à un assemblage sous-critique au
Mexique (avec annexe). Signé à Vienne, le 23 août 1967**

Texte officiel anglais.

Enregistré par l'Agence internationale de l'énergie atomique le 22 décembre 1967

No. 8869. CONTRACT¹ BETWEEN THE INTERNATIONAL ATOMIC ENERGY AGENCY, MEXICO AND THE UNITED STATES OF AMERICA FOR THE LEASE OF NATURAL URANIUM AND FOR THE TRANSFER OF PLUTONIUM FOR A SUB-CRITICAL FACILITY IN MEXICO. SIGNED AT VIENNA, ON 23 AUGUST 1967

WHEREAS the Government of the United Mexican States (hereinafter called "Mexico"), desiring to set up a project consisting of a sub-critical training facility for peaceful purposes, has requested the assistance of the International Atomic Energy Agency (hereinafter called the "Agency") in securing, among other things, the nuclear material necessary for this purpose;

WHEREAS the Board of Governors of the Agency approved the project on 21 February 1967, and the Agency and Mexico are this day concluding an agreement for the provision by the Agency of the assistance requested by Mexico;²

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-operation (hereinafter called the "Co-operation Agreement"),³ under which the United States undertook to make available to the Agency pursuant to its Statute⁴ certain quantities of special fissionable material and to assist the Agency in obtaining source material; and

WHEREAS Mexico has made arrangements with a manufacturer in the United States of America (hereinafter called the "Manufacturer") for the fabrication of plutonium into three neutron sources for the sub-critical assembly;

The Agency, Mexico and the United States Atomic Energy Commission (hereinafter called the "Commission"), acting on behalf of the United States, hereby agree as follows :

¹ Came into force on 23 August 1967, upon signature, in accordance with article XV.

² See p. 133 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 SOURCE MATERIAL

Article I

THE DELIVERY

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, 1400 fuel elements (hereinafter called the "source material"), the specifications of which are stated in the Annex to this Contract, for a Model 9000 Nuclear Chicago sub-critical training facility.

Section 2. The Agency shall lease to Mexico, and Mexico shall lease from the Agency, the source material.

Section 3. The conditions of the delivery of the source material shall be as follows :

- (a) The Commission shall pack the source material for shipment in containers, approved for this purpose by the Agency and Mexico, which containers shall in any case meet Commission requirements.
- (b) Weight, uranium content and other measurements of the source material shall be ascertained and certified by the Commission or persons acting on its behalf, in accordance with its, or their, normal practice. Prior to transfer of the source material to a carrier in accordance with Section 3(c), the Agency or Mexico, acting on behalf of the Agency, may, in accordance with mutually accepted procedures, test the material for conformity to the specifications in the Annex to this Contract, provided, however, that any claim by the Agency or Mexico that the source material does not meet the specifications, which is not submitted prior to transfer of the material to the carrier, is hereby waived.
- (c) The Commission shall make the source material available, free on board commercial conveyance at its Savannah River Plant approximately thirty days after the entry into force of this Contract unless otherwise agreed, to a carrier arranged for by Mexico acting on behalf of the Agency. The carrier will transport the material subject to such terms, charges and licences as may be required to the port of export at Laredo, Texas, unless otherwise agreed. The Commission shall thereupon transfer possession to Mexico acting on behalf of the Agency, at the port so specified, and authorize the export of the source material. On behalf of the Agency, Mexico shall accept possession of the material at the port of export and shall give appropriate written receipts therefor to the Commission on behalf of the Agency and to the Agency on behalf of Mexico.

Section 4. Except as provided in Article VI, title to the source material shall at all times be vested in the United States.

Article II

THE RETURN

Section 5. Except as provided in Article VI, the Agency shall be responsible to the Commission for the return of all the source material at or before the date of termination of the leases in accordance with Section 11.

Section 6. At or before such date of termination Mexico 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 source material to which it has not obtained title in accordance with Article VI.

Section 7. The conditions of the return of the source material shall be as follows :

- (a) Mexico shall pack the source material for shipment in containers approved for this purpose by the Agency and the Commission.
- (b) Mexico shall return the source 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 Mexico.
- (c) Upon arrival of the source material at the port of entry, the Commission shall perform the actions required to authorize the import of such material. Unless otherwise mutually agreed, Mexico shall thereafter, on behalf of the Agency, arrange for a carrier, subject to such terms, charges and licences as may be required, to transport the material by commercial conveyance to the Commission facility or location specified by the Commission. The Commission shall accept possession of the source material at its specified facility or location and shall give an appropriate written receipt therefor, a certified copy of which Mexico shall transmit to the Agency.

Article III

PROVISIONS COMMON TO DELIVERY AND RETURN

Section 8. The Agency or, at the Agency's request and on its behalf, Mexico shall pay all costs including the costs of containers and necessary packaging for transportation within and outside the United States of America and for transferring and storing the source material, as well as for physically handling it in connection with the delivery and the return; such costs shall not be the responsibility of, nor be borne by, the Commission.

Section 9. The parties may agree that the source material be delivered or returned in more than one shipment, in which case the provisions of this Contract shall apply, as appropriate, to each shipment.

Article IV

PERIOD OF LEASES

Section 10. The leases specified in Sections 1 and 2 shall commence at the time when, pursuant to Section 3(c), Mexico, acting on behalf of the Agency, accepts possession of the source material at the United States port of export. They shall terminate either at the time when, pursuant to Section 7(c), the Commission accepts possession upon return of the source material or, with respect to any material to which title is transferred pursuant to Article VI, at the time of such transfer. The rights and obligations under this 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 11. The leases shall terminate on 31 December 1970, unless extended by agreement between the parties. 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 Mexico, in case of any increase, pursuant to Section 25, in the Use or Consumption Charges above the rates indicated in Sections 12(a) and (b) respectively.

If Mexico so requests, the Agency shall, by notification to the Commission, cancel this Contract before acceptance of possession of any of the source material.

Article V

AMOUNT OF PAYMENT

Section 12. Mexico shall pay the Agency and the Agency shall pay the Commission :

- (a) A Use Charge for the source material, levied for the period of the leases or until it has been determined in accordance with Section 13(b) that it is impossible to return such material, and calculated in accordance with the quantity