

No. 4190

**NETHERLANDS
and
UNITED STATES OF AMERICA**

**Lease of special nuclear material (with appendix). Signed
at Washington, on 15 February 1957**

Official text: English.

Registered by the Netherlands on 7 March 1958.

**PAYS-BAS
et
ÉTATS-UNIS D'AMÉRIQUE**

**Accord relatif à la location de matières nucléaires spéciales
(avec annexe). Signé à Washington, le 15 février 1957**

Texte officiel anglais.

Enregistré par les Pays-Bas le 7 mars 1958.

No. 4190. LEASE¹ OF SPECIAL NUCLEAR MATERIAL BETWEEN THE UNITED STATES ATOMIC ENERGY COMMISSION ACTING ON BEHALF OF THE UNITED STATES OF AMERICA AND THE GOVERNMENT OF THE NETHERLANDS. SIGNED AT WASHINGTON, ON 15 FEBRUARY 1957

The United States Atomic Energy Commission (hereinafter referred to as the "Lessor"), acting on behalf of the Government of the United States of America, and the Government of the Netherlands (hereinafter referred to as the "Lessee"), with respect to the lease of special nuclear materials pursuant to the Agreement for Cooperation between the Government of the United States of America and the Government of the Netherlands Concerning Civil Uses of Atomic Energy, signed July 18, 1955, and as it may be amended or superseded,² and subject to all of the terms, conditions, provisions, and guaranties contained therein,

Agree as follows :

Article I

A. The Lessor agrees to lease to the Lessee and the Lessee agrees to lease from the Lessor enriched uranium in accordance with Schedule 1 of Appendix "A"³ attached hereto and in the quantities and enrichments in the isotope U-235 indicated in such Schedule, to be contained in fuel elements to be prepared in the United States of America by a contractor engaged by the Lessee (hereinafter called the "Contractor"), for use in the operation of a Pool Type research reactor manufactured by American Machine and Foundry/Atomics, Inc., to be located initially at Schiphol Airport in the Netherlands and subsequently at Technische Hogeschool at Delft in the Netherlands. The Parties agree with regard to such fuel elements that the Lessor shall own all materials produced therein as a result of the use of such fuel elements, which material shall be subject to the provisions of this Lease.

B. The Lessor's leasing of such enriched uranium shall be conditioned upon Lessee's returning to the Lessor, in accordance with Article III of this Lease, fuel elements in accordance with Schedule 2 of such Appendix "A".

¹ Came into force on 15 February 1957, in accordance with article 9.

² United Nations, *Treaty Series*, Vol. 240, p. 347, and p. 121 of this volume.

³ See p. 252 of this volume.

Article II

A. The Lessor shall make available to the Contractor uranium hexafluoride in accordance with Schedule 3 of Appendix "A" attached hereto and in the quantities and enrichments in the isotope U-235 provided in such Schedule, except as the Lessor and Contractor may otherwise agree. Such transfers to the Contractor shall be made at a facility of the Lessor and shall be subject to such terms, charges and conditions, including licenses necessary to receive such material and to perform such work in the United States of America, as are required by the Lessor.

B. Unless otherwise agreed by the Parties, the enrichment in the isotope U-235 of the uranium contained in each fuel element prepared by the Contractor shall be the enrichment of the uranium which the Contractor received from the Lessor for the fabrication of the fuel element. The quantity of enriched uranium contained in each fuel element shall be as determined by the Contractor and concurred in by the Lessor after any review or analysis which Lessor deems appropriate. The Lessee shall require the Contractor to identify each fuel element and to provide the Lessor with a certification of Contractor's determination of isotopic content and quantity of enriched uranium in each such fuel element.

C. Upon completion of the preparation of the fuel elements for the reactor by the Contractor engaged by the Lessee, and the establishment of the quantity of uranium and enrichment in the isotope U-235 contained in such fuel elements, the Lessee shall arrange for a contractor, subject to all license requirements of Lessor, after thirty (30) days notice to the Lessor, or upon such other notice as the Parties may agree to deliver such fuel elements to a port of embarkation in the United States of America to be mutually agreed upon. The Lessor shall thereupon perform those actions necessary to effect transfer and export of such fuel elements to the Lessee at such designated port. Costs of shipping, including cost of containers and necessary packaging for domestic and/or overseas shipment of such fuel elements from such Contractor to Lessee and any costs of storing such fuel elements, as well as all arrangements for physical handling in connection with delivery to Lessee, shall be the responsibility of the Lessee and not the Lessor.

D. Acceptance by the Lessee at the point of export of the enriched uranium contained in the fuel elements shall be evidenced by appropriate receipt ; thereafter the Lessee shall assume full responsibility for safekeeping of such enriched uranium in accordance with the provisions of the aforesaid Agreement for Cooperation for safeguarding against hazards to health and safety and for all loss or destruction of such enriched uranium, however caused.

Article III

After appropriate radioactive cooling, and under appropriate safeguards against hazards to health and safety, acceptable to the Lessor, the Lessee, at its expense, shall deliver at a port of entry in the United States of America to be designated by the Lessor after consultation with the Lessee fuel elements in accordance with Schedule 2 of Appendix "A". The Lessor shall thereupon perform those actions necessary for the import of such fuel elements. Thereafter, Lessee shall, unless otherwise agreed upon by the Parties, arrange at its expense for a contractor to transport such fuel elements to the reprocessing facilities or other facilities designated by the Lessor. If the Lessor, after consultation with the Lessee determines as provided in Article IV A (2) (d) that the cost of reprocessing the fuel elements exceeds the value of recoverable material therein, the Lessor will receive the fuel elements for storage or other appropriate disposition. If Lessor determines that such fuel elements should be reprocessed and if Lessor determines not to accept such fuel elements for reprocessing at its own facilities, other facilities acceptable to the Lessor being available, Lessee, at its own expense, shall arrange for reprocessing of such fuel elements at such facilities, into plutonium metal and uranium hexafluoride meeting Lessor's specifications or such other form as may be agreed upon. Any contractor of Lessee forwarding or accepting for reprocessing such fuel elements shall be subject to such terms, charges and conditions, including licenses necessary to receive such material and to perform such work in the United States of America as required of such contractor by the Lessor.

Article IV

A. For the lease of enriched uranium contained in fuel elements prepared by the Contractor, the Lessee shall pay to the Lessor, in United States currency, a sum equal to the charges set forth herein at the time or times indicated :

(1) A use charge for the enriched uranium leased hereunder and contained in each fuel element prepared by the Contractor at the rate of four per cent (4 %) per annum of the value of the enriched uranium computed on the basis of the enrichment at time of transfer, beginning with the date each fuel element is transferred to Lessee and, except as provided in paragraph A (4) of this Article, in the case of material accepted by the Lessor for reprocessing, ending upon the date each such fuel element is reprocessed by Lessor into plutonium metal and uranium hexafluoride, meeting Lessor's specifications or such other form as may be agreed upon, or upon the expiration of that period which the Lessor determines to be

normal period for such reprocessing, whichever is earlier, or, in the case of returned fuel elements to be reprocessed at facilities other than the Lessor's, upon the date each such fuel element is delivered to such facility for reprocessing.

- (2) A consumption and depletion charge equivalent to the difference between
- (a) The value of the enriched uranium initially contained in each fuel element leased hereunder as determined from its quantity and enrichment in the isotope U-235, and
 - (b) The value of the plutonium plus the value of the uranium as determined from its quantity and enrichment, recoverable from such fuel elements delivered to Lessor's reprocessing facility, or an acceptable reprocessing facility as the case may be. The quantity and enrichment of the uranium and the quantity of plutonium recoverable from returned fuel elements shall be determined by the Lessor in the case of fuel elements delivered to the Lessor or by acceptable reprocessing facility with concurrence of Lessor in the case of fuel elements delivered thereto. Such determinations shall be made within a reasonable time after delivery of such fuel elements. If Lessor determines that the cost of reprocessing exceeds the value of the enriched uranium and/or plutonium recoverable from such fuel elements, then no credit shall be allowed for such materials in such elements.

(3) Whenever the Parties determine that the Lessee is unable to return to Lessor's reprocessing facility, or an acceptable facility as the case may be, any fuel elements leased hereunder because of loss, theft, or total destruction thereof, the Lessee shall pay within thirty (30) days thereafter the value set forth in A (2) (a) of this Article.

(4) When a determination as provided in A (3) of this Article is made, the use charge with regard to the fuel elements involved in such a determination shall end. If the Lessor makes a determination as provided in the last sentence of A (2) (b) of this Article, the use charge shall end when the fuel elements involved in such a determination are delivered to the facility designated by the Lessor as provided in Article III.

(5) With regard to fuel elements returned to the Lessor for reprocessing and reprocessed by the Lessor, a reprocessing charge equal to the Lessor's charges for reprocessing such fuel elements.

B. For the purposes of this Article, the value of the enriched uranium contained in each fuel element transferred to the Lessee shall be determined in accordance with the schedule of values of uranium of various enrichments in the isotope U-235 established by the Lessor and in effect at the time each such fuel element is transferred to the Lessee. The value of the enriched uranium recoverable from each fuel element returned to the Lessor's reprocessing plant or an acceptable reprocessing facility, as the case may be, shall be determined in accordance with the schedule of values which was applied to the enriched uranium contained in each such fuel element when it was transferred to the Lessee. Where the enrichment of the uranium contained in the fuel element transferred or recoverable from the fuel element returned falls between two successive enrichments on such schedule, the value for the specific enrichment will be determined by linear interpolation between them. The value of the plutonium recoverable from fuel elements returned to the Lessor shall be the value as fuel established by the Lessor for such material and in effect at the time each such fuel element containing plutonium is delivered to Lessor's reprocessing facility or an acceptable facility, as the case may be.

C. The charges hereunder shall be payable as follows : The use charge shall be paid on an annual basis. The consumption and depletion charges shall be paid within thirty (30) days after determination of the quantity of plutonium and the quantity and enrichment of uranium recoverable from returned fuel elements. The charge due under A (3) hereof shall be payable as provided therein. The reprocessing charges shall be paid within thirty (30) days after the Lessee's receipt of a bill for such charges from the Lessor.

Article V

The Lessee shall indemnify and save harmless the Government of the United States of America and the Lessor against any and all liabilities (including third party liability) for any cause whatsoever arising out of the production, preparation, ownership, lease, or the possession and use of the enriched uranium contained in fuel elements leased hereunder, or other materials produced therein, after transfer of such enriched uranium by the Lessor to the Lessee. When fuel elements are returned to the United States of America and imported as provided in Article III hereof, the provisions of the preceding sentence shall not be applicable to liabilities of the United States of America or the Lessor for any injury, loss, or damage which may occur from the above causes in the United States of America with regard to such fuel elements.

Article VI

No Member of or Delegate to the Congress of the United States of America, or Resident Commissioner of the United States of America shall be admitted to or share any part of this Lease or any benefit that may arise therefrom.

Article VII

This Lease shall be construed according to the laws applicable in the Federal Courts of the United States of America for contracts in the United States of America where the Government of the United States of America is a party.

Article VIII

For the purposes of this Lease, the term "fuel element" includes rods, plates and fission chambers.

Article IX

This Lease shall become effective on February 15, 1957 and shall remain in force until the Agreement for Cooperation between the Government of the United States of America and the Government of the Netherlands Concerning Civil Uses of Atomic Energy, signed July 18, 1955, and as it may be amended or superseded, expires or is terminated.

IN WITNESS WHEREOF the parties hereto have caused this Lease to be executed pursuant to duly constituted authority.

DONE at Washington, in duplicate, this 15th day of February, 1957.

For the United States Atomic Energy Commission
acting on behalf of the Government of the United States of America :

(Signed) John A. HALL

For the Government of the Netherlands :

(Signed) A. B. SPEEKENBRINK

APPENDIX "A"

SCHEDULE 1

Schedule of transfers by Lessor to Lessee of enriched uranium contained in fuel elements fabricated by Contractor engaged by Lessee

<i>Date of Transfer</i>	<i>Quantity of Contained Enriched Uranium</i>	<i>Enrichment in the Isotope U-235</i>
February 18, 1957	.623 kg (7 control elements)	19.5 % to 20 %
March 1, 1957	3.916 kg (22 fuel elements)	19.5 % to 20 %
	.1780 kg (2 partial elements)	19.5 % to 20 %
	.0008 kg (2 fission chambers)	19.5 % to 20 %
	4.7178 kg — TOTAL	

SCHEDULE 2

Schedule of transfers by Lessee to Lessor of enriched uranium and/or plutonium contained in returned fuel elements

<i>Date of Transfer</i>	<i>Quantity of Contained Enriched Uranium</i>	<i>Enrichment in the Isotope U-235</i>	<i>Quantity of Plutonium</i>
December 30, 1960	4.680 kg (approximate figure)	19 % to 20 % (approximate figure)	5 g (approximate figure)

SCHEDULE 3

Schedule of estimated requirements for enriched uranium by Contractor to prepare fuel elements

<i>Date of Requirement</i>	<i>Quantity of Contained Enriched Uranium</i>	<i>Enrichment in the Isotope U-235</i>
January 3, 1957	7 kg	19.5 % to 20 %

The Parties may from time to time by means of exchange of letters agree to revise the dates of transfer, quantities of plutonium, quantities of enriched uranium, and enrichments in the isotope U-235 set forth in the above Schedules.