

No. 5689

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

Contract for the transfer of enriched uranium for a research reactor (with annex). Signed at Washington, on 23 December 1960, and at Vienna, on 30 December 1960

Official text: English.

Registered by the International Atomic Energy Agency on 8 May 1961.

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

Contrat pour la cession d'uranium enrichi destiné à un réacteur de recherche (avec annexe). Signé à Washington, le 23 décembre 1960, et à Vienne, le 30 décembre 1960

Texte officiel anglais.

Enregistré par l'Agence internationale de l'énergie atomique le 8 mai 1961.

No. 5689. CONTRACT¹ BETWEEN THE INTERNATIONAL ATOMIC ENERGY AGENCY, THE UNITED STATES OF AMERICA AND FINLAND FOR THE TRANSFER OF ENRICHED URANIUM FOR A RESEARCH REACTOR. SIGNED AT WASHINGTON, ON 23 DECEMBER 1960, AND AT VIENNA, ON 30 DECEMBER 1960

Whereas the Government of Finland (hereinafter called “Finland”), 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, the special fissionable material necessary for this purpose; and

Whereas the Board of Governors of the Agency has approved the project; and

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-operation² (hereinafter called the “Co-operation Agreement”), under which the United States undertook to make available to the Agency pursuant to the Statute of the Agency³ certain quantities of special fissionable material; and

Whereas the Agency and Finland are this day concluding an agreement for the provision by the Agency of the assistance requested by Finland (hereinafter called the “Project Agreement”); and

Whereas Finland has made arrangements with a manufacturer in the United States of America (hereinafter called the “Manufacturer”) for the fabrication of enriched uranium into fuel elements for the reactor and for the provision thereof of fission counters containing enriched uranium;

Now therefore the Agency, the United States Atomic Energy Commission (hereinafter called the “Commission”), acting on behalf of the United States, and Finland hereby agree as follows:

¹ Came into force on 30 December 1960, upon signature, in accordance with article VI.

² United Nations, *Treaty Series*, Vol. 339, p. 359.

³ United Nations, *Treaty Series*, Vol. 276, p. 3; Vol. 293, p. 359; Vol. 312, p. 427; Vol. 316, p. 387; Vol. 356, p. 378, and Vol. 394.

Article I

TRANSFER OF ENRICHED URANIUM

1. The Commission, pursuant to all the terms, conditions, provisions and guarantees of the Co-operation Agreement, shall transfer to the Agency and the Agency shall accept from the Commission:

- (i) Approximately 13 000 grams of uranium enriched to approximately 20 % by weight in the isotope U-235 (hereinafter called the "fuel material"), the exact quantities to be determined pursuant to sub-paragraph 3 (b) of this article, contained in fuel elements for a 100-kilowatt Triga Mark II research reactor (hereinafter called the "reactor");
- (ii) Approximately 5.16 grams of uranium enriched to greater than 90 % per weight in the isotope U-235 (hereinafter called the "indicator material"), the exact quantities to be determined pursuant to sub-paragraph 3 (d) of this article, contained in three fission counters for the reactor.

2. The Agency shall transfer to Finland and Finland shall accept from the Agency the fuel material and the indicator material that the Agency receives pursuant to paragraph 1 of this article.

3. The conditions of the transfers specified in paragraphs 1 and 2 of this article shall be as follows:

- (a) The Commission shall make available to the Manufacturer, at a facility of the Commission designated by it, enriched uranium for the fuel material, subject to such terms, charges, conditions and licenses as the Commission may require.
- (b) The precise quantity and enrichment of fuel material in the fuel elements shall be determined by the Manufacturer, and Finland shall cause the Manufacturer to submit to the Agency and to the Commission a written certification of the Manufacturer's determination of the enrichment by weight in the isotope U-235 and of the quantity of enriched uranium contained in the fabricated fuel elements. This determination may be checked by the Agency, by Finland and by the Commission by means of any review or analysis that any of them may deem appropriate, and shall be approved or revised by unanimous agreement of the parties. The quantity and enrichment shown in the agreed determination shall be considered to be the quantity and enrichment of the fuel material actually transferred under paragraphs 1 and 2 of this article, shall be used for the calculation of the payments required to be made pursuant to Article II of this contract, and shall be the quantity and enrichment reported to the Member States of the Agency pursuant to Article IX.G of the Statute of the Agency.

- (c) The Commission shall make available to the Manufacturer or to a properly licensed supplier of the Manufacturer, at a facility of the Commission designated by it, enriched uranium for the indicator material, subject to such terms, charges, conditions and licenses as the Commission may require.
- (d) The precise quantity of indicator material in the fission counters shall be determined by the Manufacturer or his supplier, and Finland shall cause the Manufacturer to submit to the Agency and to the Commission a written certification of the Manufacturer's or his supplier's determination of the enrichment by weight in the isotope U-235 and of the quantity of enriched uranium contained in the fission counters, and this determination shall be accepted as conclusive for all purposes by the parties.
- (e) Upon completion of the fabrication and the preparation for shipment of the fuel material and of the indicator material, and agreement by the parties with respect to the determination concerning the fuel material and receipt by the parties of the determination concerning the indicator material, Finland shall arrange for a transporter who, after thirty (30) days' written notice to the Commission and subject to such terms, charges, conditions and licenses as the Commission may require, shall transport and deliver the fuel material and the indicator material to the port of export at Los Angeles, California. The Commission, at the request of the Agency, shall thereupon transfer possession to Finland at the port so specified and authorize the export of such material. Finland shall make arrangements, including the payment of all costs, for domestic and overseas transportation and delivery (including cost of containers and packaging) and for storing such material, as well as for physically handling such material in connection with such delivery and transfer; such arrangements and costs shall not be the responsibility of, nor be borne by, either the Commission or the Agency. Finland shall accept possession of such material at the designated port of export and shall sign an appropriate written receipt therefor, whereupon Finland shall assume full and complete responsibility for the enriched uranium contained therein.
- (f) Title to the fuel material and to the indicator material shall vest in the Agency at the time they leave the jurisdiction of the United States of America and shall thereafter immediately and automatically vest in Finland.
- (g) It is understood that if desired by the parties, the transactions relating to the fuel material, as detailed in Articles I and II of this contract, may be carried out separately from and independently of those relating to the indicator material.

Article II

PAYMENT

1. Within thirty (30) days after the receipt of the Agency's invoice (to be despatched at, or subsequent to, the time that the parties have reached agreement with respect to the determination concerning the fuel material and have received the determination concerning the indicator material), Finland shall pay to the Agency in United States currency a sum equal to that which the Agency will be obliged to pay to the Commission pursuant to paragraph 2 of this article. Finland shall pay to the Agency interest at the rate of six percent (6 %) per annum on all amounts due and not paid within thirty (30) days after receipt of the Agency's invoice.

2. Within thirty (30) days after receipt of the Commission's invoice (to be despatched at, or subsequent to, the time of the Commission's transfer of possession to Finland of the fuel material and the indicator material) the Agency shall pay the Commission for the fuel material and the indicator material at the rates set forth in the Annex¹ to this contract. In the event that the degree of the U-235 isotopic enrichment of the enriched uranium transferred lies between two successive degrees of enrichment for which charges are set forth in the Annex, the charges for the enriched uranium transferred shall be computed by linear interpolation. Payment shall be made to the Commission or its designated agent or contractor, in United States currency. The Agency shall pay to the Commission interest at the rate of six percent (6 %) per annum on all amounts due and not paid within thirty (30) days after the receipt of the Commission's invoice.

3. The Commission, to assist and encourage research on peaceful uses or for medical therapy, has offered to distribute to the Agency in each calendar year, free of charge, special fissionable material of a value of up to US \$50 000 at the time of transfer, to be supplied from the amounts specified in Article II.A of the Co-operation Agreement. The project to which this contract relates qualifies under the terms of that offer. The Commission shall decide by the end of the calendar year in which this contract is concluded on the extent, if any, to which the project shall benefit by the gift offer, and the Agency and Finland shall promptly be notified of that decision. The payments provided in paragraphs 1 and 2 of this article for the fuel material and the indicator material shall be reduced by the value of any free material made available to the project by the Commission.

Article III

RESPONSIBILITY

1. Though Agency health and safety standards and measures will apply in accordance with the Project Agreement, neither the Agency nor any person

¹ See p. 254 of this volume.

acting on its behalf shall at any time bear any responsibility for the safe handling and use of the fuel material and the indicator material.

2. After acceptance of possession by Finland of the fuel material and the indicator material, as provided in Article I of this contract, neither the United States, the Commission, nor any person acting on behalf of the Commission shall bear any responsibility for the safe handling and use of such materials.

Article IV

OFFICIALS NOT TO BENEFIT

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 contract or any benefit that may arise therefrom.

Article V

SETTLEMENT OF DISPUTES

1. If the parties should be unable to reach agreement with respect to the determination provided for in sub-paragraph 3 (b) of Article I of this contract within thirty (30) days of the submission of such determination to them by the Manufacturer, any party may request that such a determination be made by a laboratory agreed upon by all the parties as umpire for such determination. The umpire may perform any tests or analyses that it may deem necessary, and all parties hereby agree to facilitate in every way the work of such umpire. The results of such determination by the umpire shall be considered as final and binding on all the parties. The costs of such determination by the umpire shall be borne equally by the parties, provided that if the determination insisted on by any party or parties is confirmed by the umpire such party or parties shall not be obliged to bear any share of such costs.

2. Any question or dispute concerning the interpretation or application of this contract which is not settled by negotiation or as may otherwise be agreed by the parties concerned, except one for which a mode of settlement is provided for in paragraph 1 of this article, shall on the request of any party be submitted to an arbitral tribunal composed as follows:

- (a) If the question or dispute involves only two of the parties to this contract, all three parties agreeing that the third is not concerned, the two parties involved shall each designate one arbitrator, and the two arbitrators so designated shall appoint a third, who shall be the Chairman. If within thirty (30) days of the request for arbitration either party has not designated an arbitrator or if within thirty (30) days of the

designation of two arbitrators the third arbitrator has not been appointed, either party to the dispute may request the President of the International Court of Justice to appoint an arbitrator.

- (b) If the question or dispute involves all three parties to this contract, each party shall designate one arbitrator, and the three arbitrators so designated shall by unanimous decision appoint a fourth arbitrator who shall be the Chairman and a fifth arbitrator. If within thirty (30) days of the request for arbitration any party has not designated an arbitrator, or if within thirty (30) days of the appointment of all three arbitrators the Chairman or the fifth arbitrator has not been appointed, any party may request the President of the International Court of Justice to appoint the necessary numbers of arbitrators.

A majority of the members of the arbitral tribunal shall constitute a quorum, and all decisions shall be made by majority vote. The procedure of the arbitration shall be fixed by the arbitrators. The decisions of the tribunal, including all rulings concerning procedure, jurisdiction, and the division of the expenses of arbitration between the parties, shall be binding on all the parties. The remuneration of the members of the tribunal shall be determined on the same basis as that of *ad hoc* judges of the International Court of Justice under Article 32, paragraph 4, of the Statute of the Court.

Article VI

ENTRY INTO FORCE

This contract shall enter into force upon signature by the Director General of the Agency and the duly authorized representatives of the Commission and Finland.

DONE in triplicate in the English language.

For the International Atomic Energy Agency:

Sterling COLE

Washington, D.C., Dec. 23, 1960

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

A. A. WELLS

Washington, D.C., Dec. 23, 1960

For the Government of Finland:

C. O. FRIETSCH

Vienna, Dec. 30, 1960

ANNEX

UNITED STATES ATOMIC ENERGY COMMISSION CHARGES FOR ENRICHED URANIUM

The rates of charges for enriched uranium, as provided for in paragraph 2 of Article II of this contract,¹ are as follows :

<i>Percentage Enrichment by Weight in the Isotope U-235 of the Enriched Uranium</i>	<i>Price US \$/gram of Uranium</i>
15	2.374
20	3.223
25	4.078
90	15.361
95	16.258

¹ See p. 242 of this volume.