

No. 5934

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

**Contract (with annex) for the transfer of enriched uranium
for a research reactor. Signed at Vienna, on 4 October
1961**

Official text: English.

Registered by the International Atomic Energy Agency on 6 November 1961.

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

**Contrat (avec annexe) pour la cession d'uranium enrichi
destiné à un réacteur de recherche. Signé à Vienne,
le 4 octobre 1961**

Texte officiel anglais.

Enregistré par l'Agence internationale de l'énergie atomique le 6 novembre 1961.

No. 5934. CONTRACT FOR THE TRANSFER OF ENRICHED URANIUM FOR A RESEARCH REACTOR¹ BETWEEN THE INTERNATIONAL ATOMIC ENERGY AGENCY, THE GOVERNMENT OF THE UNITED STATES OF AMERICA AND THE GOVERNMENT OF THE FEDERAL PEOPLE'S REPUBLIC OF YUGOSLAVIA. SIGNED AT VIENNA, ON 4 OCTOBER 1961

WHEREAS the Government of the Federal People's Republic of Yugoslavia (hereinafter called "Yugoslavia"), 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 on 7 April 1961 ; 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-operation (hereinafter called the "Co-operation Agreement"),² 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 Yugoslavia are this day concluding an agreement for the provision by the Agency of the assistance requested by Yugoslavia ;⁴ and

WHEREAS Yugoslavia 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 Yugoslavia hereby agree as follows :

¹ Came into force on 4 October 1961, 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 ; Vol. 394, p. 276, and Vol. 407.

⁴ See p. 225 of this volume.

Article I

TRANSFER OF ENRICHED URANIUM

Section 1. The Commission, subject to the provisions 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-section 3 (b), contained in fuel elements and in the conversion plate for a 100-kilowatt Triga Mark II research reactor (hereinafter called the "reactor") ;
- (ii) Approximately 5 grams of uranium enriched to greater than 90% by weight in the isotope U-235 (hereinafter called the "indicator material"), the exact quantities to be determined pursuant to sub-section 3 (d), contained in three fission counters for the reactor.

Section 2. The Agency shall transfer to Yugoslavia and Yugoslavia shall accept from the Agency the fuel material and the indicator material that the Agency received pursuant to section 1.

Section 3. The conditions of the transfer of the fuel material and the indicator material shall be as follows :

(a) The Commission shall make available to the Manufacturer, at a facility of the Commission designated by it, enriched uranium, in the form of uranium hexafluoride, 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 Yugoslavia 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 Yugoslavia 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 sections 1 and 2 and shall be used for the calculation of the payments required to be made pursuant to Article II.

(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, in the form of uranium hexafluoride, 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 Yugoslavia 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, Yugoslavia, at the request and on behalf of the Agency, shall arrange for a transporter who, after thirty 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 San Francisco, California. The Commission, at the request of the Agency, shall thereupon transfer possession to the Agency or, at the Agency's request and on its behalf, to Yugoslavia at such port of export and authorize the export of such material. The Agency or, at the Agency's request and on its behalf, Yugoslavia 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 the Commission. The Agency or, at the Agency's request and on its behalf, Yugoslavia shall accept possession of such material at such port of export and shall sign an appropriate written receipt therefor.

(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 Yugoslavia.

(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

Section 4. Within sixty days from the date 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), Yugoslavia 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 section 5. Yugoslavia shall pay to the Agency interest at the rate of six per cent per annum on all amounts due and not paid within sixty days from the date of the Agency's invoice.

Section 5. Within sixty days from the date of the Commission's invoice (to be despatched at, or subsequent to, the time of the Commission's transfer of possession to the Agency or, at the Agency's request and on its behalf, to Yugoslavia 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 per cent per annum on all amounts due and not paid within sixty days from the date of the Commission's invoice.

Section 6. 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. If the project to which this Contract relates is found eligible by the Commission, it 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 Yugoslavia shall promptly be notified of that decision. The payments provided in sections 4 and 5 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

Section 7. Neither the Agency nor any person acting on its behalf shall at any time bear any responsibility towards Yugoslavia or any person claiming through Yugoslavia for the safe handling and the use of the fuel material and the indicator material.

¹ See p. 222 of this volume.

Section 8. After acceptance of possession by the Agency or, at the Agency's request and on its behalf, by Yugoslavia of the fuel material and the indicator material, as provided in sub-section 3 (e), the Agency shall assume full responsibility to the Commission for the enriched uranium contained therein and Yugoslavia shall be equally responsible to the Agency ; neither the United States, the Commission, nor any person acting on behalf of the Commission shall bear any responsibility for the safe handling and the use of such materials.

Article IV

OFFICIALS NOT TO BENEFIT

Section 9. 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

Section 10. If the parties should be unable to reach agreement with respect to the determination provided for in sub-section 3 (b) within thirty 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.

Section 11. Any other dispute arising out of the interpretation or application of this Contract which is not settled by negotiation or as may otherwise be agreed by the parties concerned, shall on the request of any party be submitted to an arbitral tribunal composed as follows :

- (a) If the 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 days of the request for arbitration either party has not designated an arbitrator, either party to the dispute may request the President of the International Court of Justice to appoint an arbitrator. The same procedure shall apply if within thirty days of the designation or appointment of two arbitrators the third arbitrator has not been appointed.

(b) If the 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 days of the request for arbitration any party has not designated an arbitrator, any party may request the President of the International Court of Justice to appoint the necessary number of arbitrators. The same procedure shall apply if within thirty days of the designation or appointment of all three arbitrators the Chairman or the fifth arbitrator has not been appointed.

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 tribunal. 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 parties. The remuneration of the arbitrators 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

Section 12. This Contract shall enter into force upon signature by the Director General of the Agency and the duly authorized representatives of the Commission and Yugoslavia.

DONE in triplicate in the English language.

For the International Atomic Energy Agency :

(Signed) Sterling COLE
Director General

Vienna, Austria, October, 4 1961

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

(Signed) A. A. WELLS

Vienna, Austria, October 4, 1961

For the Government of the Federal People's Republic of Yugoslavia

(Signed) Slobodan NAKIĆENVIĆ

Vienna, Austria, October 4, 1961

ANNEX

UNITED STATES ATOMIC ENERGY COMMISSION CHARGES FOR ENRICHED URANIUM

The rates of charges for enriched uranium, as provided for in section 5 of this Contract, are as follows :

<i>Percentage Enrichment by Weight in the Isotope U-235 of the Enriched Uranium</i>	<i>Price (US \$/g of Enriched Uranium)</i>
15	1.868
20	2.547
25	3.230
90	12.285
95	13.015