

No. 7166

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

**Contract for the transfer of enriched uranium for a research
reactor in Mexico. Signed at Vienna, on 18 December
1963**

Official texts: English and Spanish.

Registered by the International Atomic Energy Agency on 10 March 1964.

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

**Contrat pour la cession d'uranium enrichi destiné à un
réacteur de recherche au Mexique. Signé à Vienne, le
18 décembre 1963**

Textes officiels anglais et espagnol.

Enregistré par l'Agence internationale de l'énergie atomique le 10 mars 1964.

No. 7166. CONTRACT¹ BETWEEN THE INTERNATIONAL ATOMIC ENERGY AGENCY, THE GOVERNMENT OF THE UNITED MEXICAN STATES AND THE UNITED STATES OF AMERICA FOR THE TRANSFER OF ENRICHED URANIUM FOR A RESEARCH REACTOR IN MEXICO. SIGNED AT VIENNA, ON 18 DECEMBER 1963

WHEREAS the Government of the United Mexican States (hereinafter called "Mexico"), 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 ;

WHEREAS the Board of Governors of the Agency approved the project on 4 December 1963, and the Agency and Mexico are this day concluding an agreement for the provision by the Agency of the assistance requested by Mexico² (hereinafter called the "Project Agreement") ;

WHEREAS the Agency and the Government of the United States of America (hereinafter called the "United States") on 11 May 1959³ concluded an Agreement for Co-operation (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 ; and

WHEREAS Mexico 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, 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 18 December 1963, upon signature, in accordance with article VI, Section 12.

² See p. 361 of this volume.

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

⁴ See footnote 2, p. 336 of this volume.

Article I

TRANSFER OF ENRICHED URANIUM

Section 1. Subject to the provisions of the Co-operation Agreement the Commission shall transfer to the Agency and the Agency shall accept from the Commission:

- (i) Approximately 20 000 grams of uranium enriched to approximately 20% by weight in the isotope U²³⁵ (hereinafter called the "fuel material"), the precise quantities to be determined pursuant to sub-section 3 (b), contained in approximately one hundred fuel elements for a one-megawatt Triga Mark III research reactor (hereinafter called the "reactor");
- (ii) Approximately 4 grams of uranium enriched to more than 90% by weight in the isotope U²³⁵ (hereinafter called the "indicator material"), the precise quantities to be determined pursuant to sub-section 3 (d), contained in two fission counters for the reactor.

Section 2. The Agency shall transfer to Mexico and Mexico shall accept from the Agency the fuel material and the indicator material.

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 and licences 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 Mexico 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 U²³⁵ and of the quantity of enriched uranium contained in the fabricated fuel elements. This determination may be checked by the Agency, by Mexico 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 and licences as the Commission may require.

(d) The precise quantity and enrichment of indicator material in the fission counters shall be determined by the Manufacturer or his supplier, and Mexico 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. This determination shall be accepted as conclusive by the parties.

(e) Upon completion of the fabrication and the preparation for shipment of the fuel material and of the indicator material, and upon agreement with respect to the determination concerning the fuel material and receipt by the parties of the determination concerning the indicator material, and upon compliance with paragraph 3 of Annex B to the Project Agreement, Mexico, 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 and licences as the Commission may require, shall transport and deliver the fuel material and the indicator material to the port of export at Los Angeles or San Diego. 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 Mexico at such port of export and authorize the export of such materials. The Agency or, at the Agency's request and on its behalf, Mexico shall make arrangements for transportation within and outside the United States and for delivering and storing such materials, as well as for physically handling them and shall pay all costs in connection therewith, including the cost of containers and packaging. The Agency or, at the Agency's request and on its behalf, Mexico shall accept possession of such materials 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 Mexico.

(g) If the parties agree, the transactions relating to the fuel material, as detailed in Articles I and II, may be carried out independently of those relating to the indicator material.

Article II

PAYMENT

Section 4. The Agency shall send an invoice to Mexico at or subsequent to the time the parties have agreed with respect to the determination pursuant to section 3 (b) and have received the determination pursuant to section 3 (d). Within thirty

days from the date of this invoice Mexico 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. If the Agency does not receive payment within thirty days after the date of invoice, it is entitled to an additional charge at the rate of six per cent per annum on the unpaid amount.

Section 5. The Commission shall send an invoice to the Agency at or subsequent to the time the Commission transfers possession pursuant to section 3 (e). Within sixty days from the date of this invoice the Agency shall pay for the fuel material and the indicator material as per the schedule of charges for enriched uranium published in the United States Federal Register and in effect on the date of transfer of the materials, provided, however, that in the event said charges in effect on the date of transfer of the materials should exceed the charges set forth below, which are the charges in effect on the date of the entry into force of this Contract pursuant to section 12, the Agency may, and at the request of Mexico shall, cancel this Contract without incurring obligations of any kind thereunder.

<i>Percentage Enrichment by Weight in the Isotope U²³⁵ of the Enriched Uranium</i>	<i>Price US\$/g of Enriched Uranium</i>
16	1.774
18	2.013
20	2.252
25	2.853
90	10.808
92	11.061
93	11.188

Payment shall be made in United States currency to the Commission or its designated agent or contractor. If payment is not received within sixty days after the date of invoice, the Commission shall be entitled to an additional charge at the rate of six per cent per annum on the unpaid amount.

Section 6. In order to assist and encourage research on peaceful uses or for medical therapy, the Commission has in each calendar year offered to distribute to the Agency, 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 Commission finds the project to which this Contract relates eligible, 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 shall promptly notify the Agency and Mexico of that decision. The payments

provided in sections 4 and 5 shall be reduced by the value of any free material thus made available.

Article III

RESPONSIBILITY

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

Section 8. After acceptance of possession pursuant to sub-section 3 (e), the Agency shall assume full responsibility to the Commission for the fuel material and the indicator material, and Mexico shall be equally responsible to the Agency; neither the United States, nor 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 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. The laboratory may perform any tests or analyses that it may deem necessary, and all parties agree to facilitate its work in every way. The results of the determination by the laboratory shall be considered as final and binding on all parties. The costs of the determination by the laboratory shall be borne equally by the parties, provided that if the determination insisted on by any party or parties is confirmed by the laboratory such party or parties shall not be obliged to bear any share of the 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 elect 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 the second arbitrator, the third arbitrator has not been elected.

(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 elect 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 the third of the first three arbitrators, the Chairman or the fifth arbitrator has not been elected.

A majority of the members of the arbitral tribunal shall constitute a quorum, and all decisions shall be made by majority vote. The arbitral procedure shall be established by the tribunal, whose decisions, including all rulings concerning its constitution, 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 or for the Director General of the Agency and by the authorized representatives of the Commission and Mexico.

DONE in Vienna, this 18th day of December 1963, in triplicate in English and Spanish.

For the International Atomic Energy Agency :

(Signed) Sigvard EKLUND

For the Government of the United Mexican States :

(Signed) Manuel CABRERA MACÍÁ

For the United States Atomic Energy Commission

on behalf of the Government of the United States of America :

(Signed) Frank K. HEFNER