

No. 9722

JAPAN
and
UNITED STATES OF AMERICA

Agreement for cooperation concerning civil uses of atomic energy (with appendix and exchange of notes). Signed at Washington on 26 February 1968

Authentic texts of the Agreement: Japanese and English.

Authentic text of the exchange of notes: English.

Registered by Japan on 16 July 1969.

JAPON
et
ÉTATS-UNIS D'AMÉRIQUE

Accord de coopération concernant l'utilisation de l'énergie atomique à des fins civiles (avec appendice et échange de notes). Signé à Washington le 26 février 1968

Textes authentiques de l'Accord: japonais et anglais.

Texte authentique de l'échange de notes: anglais.

Enregistré par le Japon le 16 juillet 1969.

AGREEMENT¹ FOR COOPERATION BETWEEN THE
GOVERNMENT OF JAPAN AND THE GOVERNMENT
OF THE UNITED STATES OF AMERICA CONCERNING
CIVIL USES OF ATOMIC ENERGY

Whereas the Government of Japan and the Government of the United States of America signed an "Agreement for Cooperation Between the Government of Japan and the Government of the United States of America Concerning Civil Uses of Atomic Energy" on June 16, 1958,² which was amended by the Protocol signed on October 9, 1958³ and the Protocol signed on August 7, 1963;⁴ and

Whereas the Parties desire to pursue a research and development program looking toward the realization of peaceful and humanitarian uses of atomic energy, including the design, construction and operation of power reactors and research reactors, and the exchange of information relating to the development of other peaceful uses of atomic energy; and

Whereas the Parties are desirous of entering into this Agreement to cooperate with each other to attain the above objectives; and

Whereas the Parties desire this Agreement to supersede the "Agreement for Cooperation Between the Government of Japan and the Government of the United States of America Concerning Civil Uses of Atomic Energy" signed on June 16, 1958, as amended;

The Parties agree as follows:

Article I

For the purposes of this Agreement:

A. "United States Commission" means the United States Atomic Energy Commission.

B. "Parties" means the Government of Japan and the Government of the United States of America, including the United States Commission on behalf of the Government of the United States of America. "Party" means one of the above "Parties".

¹ Came into force on 10 July 1968, the day on which each Government had received from the other Government written notification that it had complied with all statutory and constitutional requirements, in accordance with article XIV (B).

² United Nations, *Treaty Series*, vol. 325, p. 143.

³ *Ibid.*, vol. 340, p. 414.

⁴ *Ibid.*, vol. 517, p. 332.

C. "Atomic weapon" means any device utilizing atomic energy, exclusive of the means for transporting or propelling the device (where such means is a separable and divisible part of the device), the principal purpose of which is for use as, or for development of, a weapon, a weapon prototype, or a weapon test device.

D. "Byproduct material" means any radioactive material (except special nuclear material) yielded in or made radioactive by exposure to the radiation incident to the process of producing or utilizing special nuclear material.

E. "Equipment and devices" and "equipment or devices" means any instrument, apparatus, or facility and includes any facility, except an atomic weapon, capable of making use of or producing special nuclear material, and component parts thereof.

F. "International organization" includes a group of nations associated for a common purpose.

G. "Person" means any individual, corporation, partnership, firm, association, trust, estate, public or private institution, group, government agency, or government corporation but does not include the Parties to this Agreement.

H. "Reactor" means an apparatus, other than an atomic weapon, in which a self-supporting fission chain reaction is maintained by utilizing uranium, plutonium, or thorium, or any combination of uranium, plutonium, or thorium.

I. "Restricted Data" means all data concerning (1) design, manufacture, or utilization of atomic weapons; (2) the production of special nuclear material; or (3) the use of special nuclear material in the production of energy, but shall not include data declassified or removed from the category of Restricted Data by the appropriate authority.

J. "Source material" means (1) uranium, thorium, or any other material which is determined by the Government of Japan or the United States Commission to be source material; or (2) ores containing one or more of the foregoing materials, in such concentration as the Government of Japan or the United States Commission may determine from time to time.

K. "Special nuclear material" means (1) plutonium, uranium enriched in the isotope 233 or in the isotope 235, and any other material which the Government of Japan or the United States Commission determines to be special nuclear material; or (2) any material artificially enriched by any of the foregoing.

L. "Superseded Agreement" means the Agreement for Cooperation Between the Government of Japan and the Government of the United States of America Concerning Civil Uses of Atomic Energy signed on June 16, 1958, as amended by the Protocol signed on October 9, 1958 and the Protocol signed on August 7, 1963.

M. "Safeguards" means a system of controls designed to assure that any materials, equipment and devices committed to the peaceful use of atomic energy are not used to further any military purpose.

Article II

A. Subject to the provisions of this Agreement, the availability of personnel and material, and the applicable laws, regulations, and license requirements in force in their respective countries, the Parties shall assist each other in the achievement of the uses of atomic energy for peaceful purposes.

B. Restricted Data shall not be communicated under this Agreement, and no materials or equipment and devices shall be transferred, and no services shall be furnished, under this Agreement, if the transfer of any such materials or equipment and devices or the furnishing of any such services involves the communication of Restricted Data.

C. This Agreement shall not require the exchange of any information which the Parties are not permitted to communicate.

Article III

Subject to the provisions of Article II, the Parties shall exchange unclassified information with respect to the application of atomic energy to peaceful uses and the problems of health and safety connected therewith. The exchange of information provided for in this Article shall be accomplished through various means, including reports, conferences, and visits to facilities, and shall include information in the following fields:

(1) Development, design, construction, operation, and use of research, materials testing, experimental, demonstration power, and power reactors and reactor experiments;

(2) The use of radioactive isotopes and source, special nuclear, and byproduct material in physical and biological research, medicine, agriculture, and industry; and

(3) Health and safety problems related to the foregoing.

Article IV

A. Materials of interest in connection with the subjects of agreed exchange of information, as provided in Article III and subject to the provisions of Article II, including source material, heavy water, byproduct material, other radioisotopes, stable isotopes, and special nuclear material for purposes other than fueling reactors and reactor experiments, may be transferred between the Parties for defined applications in such quantities and under such terms and conditions as may be agreed when such materials are not commercially available.

B. Subject to the provisions of Article II and under such terms and conditions as may be agreed, specialized research facilities and reactor materials testing facilities of the Parties shall be made available for mutual use consistent with the limits of space, facilities, and personnel conveniently available when such facilities are not commercially available.

C. With respect to the subjects of agreed exchange of information as provided in Article III and subject to the provisions of Article II, equipment and devices may be transferred between the Parties under such terms and conditions as may be agreed. It is recognized that such transfers will be subject to limitations which may arise from shortages of supplies or other circumstances existing at the time.

Article V

The application or use of any information (including design drawings and specifications) and any material, equipment and devices, exchanged or transferred between the Parties under this Agreement or the superseded Agreement shall be the responsibility of the Party receiving it, and the other Party does not warrant the accuracy or completeness of such information and does not warrant the suitability of such information, material, equipment and devices for any particular use or application.

Article VI

A. With respect to the application of atomic energy to peaceful uses, it is understood that arrangements may be made between either Party or authorized persons under its jurisdiction and authorized persons under the jurisdiction of the other Party for the transfer of materials, other than special nuclear material, equipment and devices and for the performance of services with respect thereto.

B. With respect to the application of atomic energy to peaceful uses, it is understood that arrangements may be made between either Party or

authorized persons under its jurisdiction and authorized persons under the jurisdiction of the other Party for the transfer of special nuclear material and for the performance of services with respect thereto for the uses specified in Articles IV and VII and subject to the relevant provisions of Article VIII and to the provisions of Article IX.

C. The Parties agree that the activities referred to in paragraphs A and B of this Article shall be subject to the provisions of Article II and to such contracting policies generally applicable to private transactions as the Parties may adopt.

Article VII

A. During the period of this Agreement, the United States Commission will supply to the Government of Japan or, pursuant to Article VI, paragraph B, to authorized persons under its jurisdiction, under such terms and conditions as may be agreed, all of Japan's requirements for uranium enriched in the isotope U-235 for use as fuel in the power reactor (including merchant marine propulsion) program described in the Appendix to this Agreement, which Appendix, subject to the quantity limitation established in Article IX, may be amended from time to time by mutual consent of the Parties without modification of this Agreement.

- (1) The United States Commission will supply such uranium enriched in the isotope U-235 by providing after December 31, 1968, for the production or enrichment, or both, of uranium enriched in the isotope U-235 for the account of the Government of Japan or such authorized persons. (Upon timely advice that any natural uranium required with respect to any particular delivery of uranium enriched in the isotope U-235 under such service arrangements is not reasonably available to the Government of Japan or to such authorized persons, the United States Commission will be prepared to furnish the required natural uranium under such terms and conditions as may be agreed.)
- (2) Notwithstanding the provisions of paragraph A (1), if the Government of Japan or such authorized persons so request, the United States Commission, at its election, may sell the uranium enriched in the isotope U-235 under such terms and conditions as may be agreed.

B. As may be agreed, the United States Commission will transfer to the Government of Japan or to authorized persons under its jurisdiction uranium enriched in the isotope U-235 for use as fuel in defined research applications, including research, materials testing, and experimental reactors

and reactor experiments. The terms and conditions of each transfer shall be agreed upon in advance, it being understood that, in the event of transfer of title of uranium enriched in the isotope U-235, the United States Commission shall have the option of limiting the arrangements to undertakings such as those described in paragraph A (1) of this Article.

C. The United States Commission may also transfer to the Government of Japan or to authorized persons under its jurisdiction, under such terms and conditions with respect to each transfer as may be agreed, special nuclear material for the performance in Japan of conversion or fabrication services, or both, and for subsequent return to the United States of America or for subsequent transfer to another nation or international organization in accordance with the provisions of Article X, paragraph A (3). It is understood that, in the event of transfer of title of uranium enriched in the isotope U-235 by the United States Commission, it shall have the option of limiting the arrangements to undertakings such as those described in paragraph A (1) of this Article.

D. As may be agreed, the United States Commission will transfer to the Government of Japan or to authorized persons under its jurisdiction plutonium for use as fuel in reactors and reactor experiments. The terms and conditions of each transfer shall be agreed upon in advance.

Article VIII

A. With respect to transfers by the United States Commission of uranium enriched in the isotope U-235 provided for in Article VI, paragraph B and Article VII, it is understood that:

- (1) Contracts specifying quantities, enrichments, delivery schedules, and other terms and conditions of supply or service will be executed on a timely basis between the United States Commission and the Government of Japan or persons authorized by it.
- (2) Prices for uranium enriched in the isotope U-235 sold or charges for enrichment services performed will be those in effect for users in the United States of America at the time of delivery. The advance notice required for delivery will be that in effect for users in the United States of America at the time of giving such notice. The United States Commission may agree to supply uranium enriched in the isotope U-235 or perform enrichment services upon shorter notice, subject to assessment of such sur-

charge to the usual base price or charge as the United States Commission may consider reasonable to cover abnormal production costs incurred by the United States Commission by reason of such shorter notice.

B. Should the total quantity of uranium enriched in the isotope U-235 which the United States Commission has agreed to provide pursuant to this Agreement and other Agreements for Cooperation reach the maximum quantity of uranium enriched in the isotope U-235 which the United States Commission has available for such purposes, and should contracts covering the adjusted net quantity specified in Article IX not have been executed by the Government of Japan or persons authorized by it, the United States Commission may request, upon appropriate notice, that the Government of Japan or such persons execute contracts for all or any part of such uranium enriched in the isotope U-235 as is not then under contract. It is understood that, should contracts not be executed in accordance with a request by the United States Commission hereunder, the United States Commission shall be relieved of all obligations with respect to the uranium enriched in the isotope U-235 for which contracts have been so requested.

C. The uranium enriched in the isotope U-235 supplied hereunder may contain up to twenty percent (20 %) in the isotope U-235. A portion of the uranium enriched in the isotope U-235 supplied hereunder may be made available as material containing more than 20 % in the isotope U-235 when the United States Commission finds there is a technical or economic justification for such a transfer.

D. It is understood, unless otherwise agreed, that in order to assure the availability of the entire quantity of uranium enriched in the isotope U-235 allocated hereunder for a particular reactor project described in the Appendix, it will be necessary for the construction of the project to be initiated in accordance with the schedule set forth in the Appendix and for the Government of Japan or persons authorized by it to execute a contract for that quantity in time to allow for the United States Commission to provide the material for the first fuel loading. It is also understood that if the Government of Japan or persons authorized by it desire to contract for less than the entire quantity of uranium enriched in the isotope U-235 allocated for a particular project or terminate the supply contract after execution, the remaining quantity allocated for that project shall cease to be available and the maximum adjusted net quantity of U-235 provided for in Article IX shall be reduced accordingly, unless otherwise agreed.

E. Within the limitations contained in Article IX, the quantity of uranium enriched in the isotope U-235 transferred under Article VI, paragraph B or Article VII and under the jurisdiction of the Government of Japan for the fueling of reactors or reactor experiments shall not at any time be in excess of the quantity necessary for the loading of such reactors or reactor experiments, plus such additional quantity as, in the opinion of the Parties, is necessary for the efficient and continuous operation of such reactors or reactor experiments.

F. When any special nuclear material received from the United States of America requires reprocessing, or any irradiated fuel elements containing fuel material received from the United States of America are to be removed from a reactor and are to be altered in form or content, such reprocessing or alteration may be performed in Japanese facilities upon a joint determination of the Parties that the provisions of Article XI may be effectively applied, or in such other facilities as may be mutually agreed.

G. Special nuclear material produced, as a result of irradiation processes, in any part of the fuel leased by the United States Commission under this Agreement or the superseded Agreement to the Government of Japan or to authorized persons under its jurisdiction shall be for the account of the Government of Japan or such authorized persons and, after reprocessing as provided in paragraph F of this Article, shall be returned to the Government of Japan or such authorized persons, at which time title to such material shall be transferred to the Government of Japan or such authorized persons.

H. No special nuclear material produced through the use of material transferred to the Government of Japan or to authorized persons under its jurisdiction, pursuant to this Agreement or the superseded Agreement, will be transferred to any other nation or international organization, except as the United States Commission may agree to such a transfer.

I. Some atomic energy materials which the Government of Japan may request the United States Commission to provide in accordance with this Agreement, or which have been provided to the Government of Japan under the superseded Agreement, are harmful to persons and property unless handled and used carefully. After delivery of such materials to the Government of Japan, the Government of Japan shall bear all responsibility, insofar as the Government of the United States of America is concerned, for the safe handling and use of such materials. With respect to any special nuclear material or fuel elements which the United States Com-

mission may lease pursuant to this Agreement, or may have leased pursuant to the superseded Agreement, to the Government of Japan, the Government of Japan shall indemnify and save harmless the Government of the United States of America against any and all liability (including third party liability) for any cause whatsoever arising out of the production or fabrication, the ownership, the lease, and the possession and use of such special nuclear material or fuel elements after delivery by the United States Commission to the Government of Japan or to any person acting on its behalf.

Article IX

A. The adjusted net quantity of U-235 in uranium enriched in the isotope U-235 transferred from the United States of America to Japan under Article IV, Article VI, paragraph B, and Article VII during the period of this Agreement or under the superseded Agreement shall not exceed in the aggregate one hundred and sixty-one thousand (161,000) kilograms or such quantity as may be agreed between the Parties in accordance with their statutory and constitutional procedures. The following method of computation shall be used in calculating transfers, within such ceiling quantity, made under the said Articles or the superseded Agreement: From:

- (1) The quantity of U-235 contained in uranium enriched in the isotope U-235 transferred under the said Articles or the superseded Agreement, minus
- (2) The quantity of U-235 contained in an equal quantity of uranium of normal isotopic assay.

Subtract:

- (3) The aggregate of the quantities of U-235 contained in recoverable uranium of United States origin either returned to the United States of America or transferred to any other nation or international organization with the agreement of the Government of the United States of America pursuant to this Agreement or the superseded Agreement, minus
- (4) The quantity of U-235 contained in an equal quantity of uranium of normal isotopic assay.

B. The quantity of plutonium transferred from the United States of America to Japan under Article IV, Article VI, paragraph B and Article VII during the period of this Agreement or under the superseded Agreement shall not exceed a net amount of three hundred and sixty-five (365) kilograms or such quantity as may be agreed between the Parties in accordance with their statutory and constitutional procedures. The net amount of

plutonium shall be the gross quantity transferred to the Government of Japan or to authorized persons under its jurisdiction less the quantity which has been returned to the United States of America or transferred to any other nation or international organization with the agreement of the Government of the United States of America pursuant to this Agreement.

Article X

A. The Government of Japan guarantees that:

- (1) Safeguards provided in Article XI shall be maintained.
- (2) No material, including equipment and devices, transferred to the Government of Japan or to authorized persons under its jurisdiction by purchase or otherwise pursuant to this Agreement or the superseded Agreement, and no special nuclear material produced through the use of such material, including equipment and devices, will be used for atomic weapons, or for research on or development of atomic weapons, or for any other military purpose.
- (3) No material, including equipment and devices, transferred to the Government of Japan or to authorized persons under its jurisdiction pursuant to this Agreement or the superseded Agreement will be transferred to unauthorized persons or beyond the jurisdiction of the Government of Japan, except as the United States Commission may agree to such a transfer to another nation or international organization, and then only if, in the opinion of the United States Commission, the transfer of the material is within the scope of an Agreement for Cooperation between the Government of the United States of America and the other nation or international organization.

B. The Government of the United States of America guarantees that:

- (1) No material, including equipment and devices, transferred to the Government of the United States of America or authorized persons under its jurisdiction by purchase or otherwise pursuant to this Agreement or the superseded Agreement, and no special nuclear material produced through the use of such material, including equipment and devices, or an equivalent amount of material of the same type as such transferred or produced material substituted therefor, will be used for atomic weapons, or for research on or development of atomic weapons, or for any other military purpose.

- (2) No material, including equipment and devices, transferred to the Government of the United States of America or authorized persons under its jurisdiction pursuant to this Agreement or the superseded Agreement, and no special nuclear material produced through the use of such material, equipment or devices, will be transferred to unauthorized persons or beyond the jurisdiction of the Government of the United States of America, except as the Government of Japan may agree to such a transfer to another nation or international organization.

Article XI

A. The Parties emphasize their common interest in assuring that any material, equipment or devices transferred under this Agreement or the superseded Agreement shall be used solely for civil purposes.

B. Except to the extent that the safeguards provided for in this Agreement are supplanted, by agreement of the Parties as provided in Article XII, by safeguards of the International Atomic Energy Agency, the Government of the United States of America, notwithstanding any other provisions of this Agreement, shall have the following rights:

- (1) With the objective of assuring design and operation for civil purposes and permitting effective application of safeguards, to review the design of any
 - (a) reactor, and.
 - (b) other equipment and devices the design of which the United States Commission determines to be relevant to the effective application of safeguards, which are, or have been, made available to the Government of Japan or to any person under its jurisdiction under this Agreement or the superseded Agreement, or which are to use, fabricate or process any of the following materials so made available: source material, special nuclear material, moderator material, or other material designated by the United States Commission;
- (2) With respect to any source or special nuclear material made available to the Government of Japan or to any person under its jurisdiction under this Agreement or the superseded Agreement and any source or special nuclear material utilized in, recovered from, or produced as a result or the use of any of the following materials, equipment or devices so made available:

- (a) source material, special nuclear material, moderator material, or other material designated by the United States Commission,
 - (b) reactors, and
 - (c) any other equipment or devices designated by the United States Commission as items to be made available on the condition that the provisions of this paragraph B (2) will apply,
 - (i) to require the maintenance and production of operating records and to request and receive reports for the purpose of assisting in ensuring accountability of such material; and
 - (ii) to require that any such material in the custody of the Government of Japan or any person under its jurisdiction be subject to all of the safeguards provided for in this Article and the guarantees set forth in Article X;
- (3) To approve facilities which are to be used for the storage of any of the special nuclear material referred to in paragraph B (2) of this Article which is not required for atomic energy programs in Japan and which is not transferred beyond the jurisdiction of the Government of Japan or otherwise disposed of pursuant to an arrangement mutually acceptable to the Parties;
- (4) To designate, after consultation with the Government of Japan, personnel who, accompanied, if either Party so requests, by personnel designated by the Government of Japan, shall have access in Japan to all places and data necessary to account for the source and special nuclear materials which are subject to paragraph B (2) of this Article, to determine whether there is compliance with this Agreement and to make such independent measurements as may be deemed necessary;
- (5) In the event of non-compliance with the provisions of this Article or the guarantees set forth in Article X and the failure of the Government of Japan to carry out the provisions of this Article within a reasonable time, to suspend or terminate this Agreement and to require the return of any materials, equipment and devices referred to in paragraph B (2) of this Article;

- (6) To consult with the Government of Japan in the matter of health and safety.

C. The Government of Japan undertakes to facilitate the application of the safeguards provided for in this Article.

D. The personnel designated by the Government of the United States of America in accordance with paragraph B (4) of this Article shall not, except pursuant to their responsibilities to that Government, disclose any industrial secret or other confidential information coming to their knowledge by reason of their official duties under that paragraph.

Article XII

A. The Parties, bearing in mind that by an agreement signed by them and the International Atomic Energy Agency on September 23, 1963,¹ the Agency has been applying safeguards to materials and facilities subject to the superseded Agreement and recognizing the desirability of continuing to make use of the facilities and services of the Agency, agree that the Agency will be requested to continue its application of safeguards and to apply them to materials and facilities subject to safeguards under this Agreement. The necessary arrangements will be effected without modification of this Agreement through an agreement to be made between the Parties and the Agency.

B. In the event the Parties do not reach a mutually satisfactory agreement on the terms of the trilateral arrangement envisaged in paragraph A of this Article, either Party may, by notification, terminate this Agreement. Before either Party takes steps to terminate this Agreement, the Parties will carefully consider the economic effects of such termination. Neither Party will invoke its termination rights until the other Party has been given sufficient advance notice to permit arrangements by the Government of Japan, if it is the other Party, for an alternative source of power and to permit adjustment by the Government of the United States of America, if it is the other Party, of production schedules. In the event of termination by either Party, the Government of the United States of America may require the Government of Japan to effect the return of all special nuclear material supplied pursuant to this Agreement or the superseded Agreement and still in Japan, provided that the Government of the United States of America will compensate the persons, including the Government of Japan, returning such material for their interest in such material so returned at the United States Commission's schedule of prices then in effect in the United States of America.

¹ United Nations, *Treaty Series*, vol. 488, p. 99.

Article XIII

The rights and obligations of the Parties provided for under this Agreement shall extend, to the extent applicable, to cooperative activities initiated under the superseded Agreement, including, but not limited to, material, equipment and devices and information transferred thereunder.

Article XIV

A. The " Agreement for Cooperation Between the Government of Japan and the Government of the United States of America Concerning Civil Uses of Atomic Energy ", signed on June 16, 1958, as amended, is superseded by this Agreement on the date this Agreement enters into force.

B. This Agreement shall enter into force on the date on which each Government shall have received from the other Government written notification that it has complied with all statutory and constitutional requirements for the entry into force of such Agreement and shall remain in force for a period of thirty (30) years.

IN WITNESS WHEREOF the undersigned, duly authorized for the purpose, have signed this Agreement.

DONE at Washington, in duplicate, in the Japanese and English languages, both texts being equally authentic, this twenty-sixth day of February, 1968.

For the Government of Japan :

T. SHIMODA

For the Government of the United States of America :

Dean RUSK
Glenn T. SEABORG

APPENDIX

JAPAN'S ENRICHED URANIUM POWER REACTOR PROGRAM

<i>Classification</i>	<i>Reactors</i>	<i>Start of con- struction</i>	<i>Total Kg U-235 required</i>
Under construction	A. TSURUGA 322 MWe (Japan Atomic Power Co.)	1966	8,314
	B. FUKUSHIMA 400 MWe (Tokyo Electric Power Co.)	1966	10,383
	C. MIHAMA 340 MWe (Kansai Electric Power Co.)	1966	7,678
Under planning	D. CHUBU No. 1 350 MWe	1968	10,921
	E. TOKYO No. 2 750 MWe	1968	16,556
	F. KANSAI No. 2 500 MWe	1968	12,026
	G. KANSAI No. 3 750 MWe	1970	16,797
	H. CHUGOKU No. 1 500 MWe	1970	11,198
	I. TOKYO No. 3 750 MWe	1970	16,797
	J. CHUBU No. 2 500 MWe	1971	11,198
	K. KYUSHU No. 1 500 MWe	1971	10,783
Under consid- eration	L. TOHOKU No. 1 500 MWe	1971	10,783
	500 MWe	1970- 1972	10,783
TOTAL			<u>154,217</u>

EXCHANGE OF NOTES

I

(U.S. Note)

Washington, February 26, 1968

Excellency:

I have the honor to refer to the Agreement for Cooperation Between the Government of the United States of America and the Government of Japan Concerning Civil Uses of Atomic Energy, signed today, and to confirm the following understandings which have been reached during the negotiations leading to the conclusion of the Agreement:

1. While the two Governments use their best efforts to assure that material and information made available are free from defects and inaccuracies, the application or use of any material, equipment and devices, or use of any information (including design drawings and specifications) made available by them shall, as provided in Article V of the Agreement, be the responsibility of the party receiving it, and the party furnishing such items does not warrant the suitability of such information, material, equipment and devices for any particular use or application.

2. The policies of the two Governments, to which reference is made in Article VI, paragraph C of the Agreement, will be applied in a non-discriminatory way and will not be applied by the Government of the United States of America in such a manner as to preclude the transfer of such quantities of special nuclear material as are provided for in Article IX of the Agreement.

3. The agreement of the United States Atomic Energy Commission to transfers of produced special nuclear material from Japan to any other nation or international organization, to which reference is made in Article VIII, paragraph H, of the Agreement, will not be withheld because of commercial considerations.

4. Before transferring atomic energy materials to any private individual or private organization under the jurisdiction of the Government of Japan, the United States Atomic Energy Commission may, at its election, require assurances by such private individual or private organization which are satisfactory to the United States Atomic Energy Commission concerning responsibility for the safe handling and use of such materials. Before leasing special nuclear material to any private individual or private organization under the jurisdiction of the Government of Japan, the United States Atomic Energy Commission may, at its election, require that it be indemnified and saved harmless in a manner satisfactory to it by such private individual or private organization against liability concerning such material.

5. The Government of the United States of America understands that the Government of Japan foresees requirements for plutonium in excess of the 365 kilograms provided for in Article IX, paragraph B of the Agreement, which amount is intended to meet Japan's requirements through 1970. The two Governments realize that significant quantities of plutonium sufficient to meet all research and development needs will become available in the United States of America, Japan, and other countries in the early 1970's as a result of civil power reactor operations. In this circumstance, the United States Atomic Energy Commission does not plan to become a long-term supplier of plutonium. Recognizing, however, the importance of adequate supplies of plutonium for peaceful research and development in Japan, the Government of the United States of America is prepared to consult with the Government of Japan on the need to increase the maximum quantity of plutonium which may be transferred under the Agreement.

6. With regard to equipment and devices other than reactors, the design of which the United States Atomic Energy Commission determines to be relevant to the effective application of safeguards pursuant to Article XI, paragraph B

(1) (b) of the Agreement, such equipment and devices are limited to principal nuclear facilities, as provided for in the International Atomic Energy Agency's Safeguards Document INFCIRC /66, including changes therein, or significant components of such principal nuclear facilities.

7. Representatives of the two Governments may meet from time to time to consult with each other on matters arising out of the application of the Agreement.

8. The two Governments will consult with each other with a view to amending the provisions of the Agreement whenever they become inappropriate to meet new circumstances then prevailing. Such consultation shall be held in any case if and when both of them will have become parties to a treaty for non-proliferation of nuclear weapons.

If the Government of Japan concurs, I suggest that the present Note and Your Excellency's reply be regarded as placing these understandings on record.

Accept, Excellency, the renewed assurances of my highest consideration.

For the Secretary of State:

William P. BUNDY

His Excellency Takeso Shimoda
Ambassador of Japan

II

(Japanese Note)

Washington, February 26, 1968

Sir:

I have the honor to refer to your Note dated today, regarding the Agreement for Cooperation Between the Government of Japan and the Government of the United States of America concerning Civil Uses of Atomic Energy signed today, in which you set forth the following understandings which have been reached during the negotiations leading to the conclusion of the Agreement:

[See note I]

I have further the honor to inform you that the Government of Japan concurs in the foregoing understandings and confirms that your Note and this reply be regarded as placing these understandings on record.

Accept, Sir, the renewed assurances of my highest consideration.

Takeso SHIMODA
Ambassador of Japan

The Honorable Dean Rusk
Secretary of State
