

No. 19638

**AUSTRALIA
and
UNITED STATES OF AMERICA**

Agreement concerning peaceful uses of nuclear energy (with annex and agreed minute). Signed at Canberra on 5 July 1979

Authentic text: English.

Registered by Australia on 11 March 1981.

**AUSTRALIE
et
ÉTATS-UNIS D'AMÉRIQUE**

Accord concernant l'utilisation de l'énergie nucléaire à des fins pacifiques (avec annexe et mémorandum d'accord). Signé à Canberra le 5 juillet 1979

Texte authentique : anglais.

Enregistré par l'Australie le 11 mars 1981.

AGREEMENT¹ BETWEEN AUSTRALIA AND THE UNITED STATES OF AMERICA CONCERNING PEACEFUL USES OF NUCLEAR ENERGY

The Government of Australia and the Government of the United States of America,

Considering their close cooperation in the development, use and control of peaceful uses of nuclear energy pursuant to the Agreement for cooperation between the Government of the Commonwealth of Australia and the Government of the United States of America concerning the civil uses of atomic energy, signed on June 22, 1956,² as amended;³

Desiring to continue and expand their cooperation in this field;

Reaffirming their commitment to ensuring that the international development and use of nuclear energy for peaceful purposes are carried out under arrangements which will, to the maximum possible extent, further the objectives of the Treaty on the non-proliferation of nuclear weapons⁴ (hereinafter referred to as the "Treaty");

Mindful that both Australia and the United States are parties to the Treaty;

Recognizing that Australia, a non-nuclear-weapon State, has, under the Treaty, undertaken not to manufacture or otherwise acquire nuclear weapons or other nuclear explosive devices, and that it has concluded an agreement with the International Atomic Energy Agency (hereinafter referred to as the "Agency") for the application of safeguards⁵ in connection with the Treaty;

Recognizing that the United States, a nuclear-weapon State, intends to enter into a safeguards agreement with the Agency for the application of safeguards in the United States;

Affirming their support for the objectives of the Statute of the Agency,⁶ and their desire to promote universal adherence to the Treaty;

Have agreed as follows:

Article 1. SCOPE OF COOPERATION

1. Australia and the United States shall cooperate, by the transfer of information, material, equipment and components and by assignment of experts, in the use of nuclear energy for peaceful purposes in accordance with the provisions of this agreement and their applicable treaties, national laws, regulations and license requirements.

2. Cooperation under this agreement may be undertaken directly between the parties or through authorized persons under their jurisdiction. Such cooperation shall be subject to this agreement and to such additional terms and conditions as may be agreed by the parties.

¹ Came into force on 16 January 1981, the date of the exchange of diplomatic notes by which the Parties informed each other of the completion of the required constitutional procedures, in accordance with article 14.

² United Nations, *Treaty Series*, vol. 283, p. 275 and p. 396 of this volume.

³ *Ibid.*, vol. 404, p. 350 and vol. 638, p. 268.

⁴ *Ibid.*, vol. 729, p. 161.

⁵ *Ibid.*, vol. 589, p. 3.

⁶ *Ibid.*, vol. 276, p. 3, and vol. 471, p. 334.

3. Cooperation under this agreement shall require the application of safeguards by the Agency:

- (a) With respect to all nuclear activities within the territory of Australia, under its jurisdiction or carried out under its control anywhere. Implementation of a safeguards agreement concluded in accordance with paragraph 1 of article III of the Treaty shall be considered as fulfilling this requirement;
- (b) Within the territory of the United States, in accordance with the provisions of an agreement between the United States and the Agency for the application of safeguards in the United States.

Article 2. DEFINITIONS

For the purposes of this agreement:

- (a) "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;
- (b) "Component" means a component part of equipment or other item, so designated by agreement of the parties;
- (c) "Equipment" means any production or utilization facility (including uranium enrichment and nuclear fuel reprocessing facilities), or any facility for the production of heavy water or the fabrication of nuclear fuel containing plutonium, or any other item so designated by agreement of the parties;
- (d) "High enriched uranium" means uranium enriched to twenty percent or greater in the isotope 235;
- (e) "Low enriched uranium" means uranium enriched to less than twenty percent in the isotope 235;
- (f) "Major critical component" means any part or group of parts essential to the operation of a sensitive nuclear facility;
- (g) "Material" means source material, special nuclear material or byproduct material, radioisotopes other than byproduct material, moderator material, or any other such substance so designated by agreement of the parties;
- (h) "Moderator material" means any heavy water, or graphite or beryllium of a purity suitable for use in a reactor to slow down high velocity neutrons and increase the likelihood of further fission, or any other such material so designated by agreement of the parties;
- (i) "Parties" means the Government of Australia and the Government of the United States of America;
- (j) "Peaceful purposes" includes the use of information, material, equipment and components in such fields as research, energy and power generation, medicine, agriculture and industry but does not include use in, research on or development of any nuclear explosive device, or any military purpose;
- (k) "Person" means any individual or any entity subject to the jurisdiction of either party but does not include the parties to this agreement;
- (l) "Previous agreement" means the Agreement for cooperation between the Government of the Commonwealth of Australia and the Government of the

United States of America concerning the civil uses of atomic energy, signed on June 22, 1956, as amended;

(*m*) “Production facility” means any nuclear reactor designed or used primarily for the formation of plutonium or uranium 233, any facility designed or used for the separation of the isotopes of uranium or plutonium, any facility designed or used for the processing of irradiated materials containing special nuclear material or any other item so designated by agreement of the parties;

(*n*) “Reactor” means any apparatus, other than a nuclear weapon or other nuclear explosive device, in which a self-sustaining fission chain reaction is maintained by utilizing uranium, plutonium or thorium, or any combination thereof, or any other apparatus so designated by agreement of the parties;

(*o*) “Restricted data” means all data concerning:

- (i) Design, manufacture or utilization of nuclear weapons;
- (ii) The production of special nuclear material; or
- (iii) The use of special nuclear material in the production of energy;

but shall not include data of a party which it has declassified or removed from the category of restricted data;

(*p*) “Sensitive nuclear facility” means any facility designed or used primarily for uranium enrichment, reprocessing of nuclear fuel, heavy water production or fabrication of nuclear fuel containing plutonium;

(*q*) “Sensitive nuclear technology” means any information (including information incorporated in equipment or an important component) which is not in the public domain and which is important to the design, construction, fabrication, operation or maintenance of any sensitive nuclear facility, or such other information so designated by agreement of the parties;

(*r*) “Source material” means:

- (i) Uranium, thorium, or any other material which is so designated by agreement of the parties; or
- (ii) Ores containing one or more of the foregoing materials, in such concentration as the parties may agree from time to time;

(*s*) “Special nuclear material” means:

- (i) Plutonium, uranium 233, or uranium enriched in the isotope 235; or
- (ii) Any other material so designated by agreement of the parties;

(*t*) “Uranium enriched in the isotope 235 or 233” means uranium containing the isotopes 235 or 233, or both, in an amount such that the abundance ratio of the sum of these isotopes to the isotope 238 is greater than the ratio of the isotope 235 to the isotope 238 occurring in nature;

(*u*) “Utilization facility” means any reactor other than one designed or used primarily for the formation of plutonium or uranium 233.

Article 3. TRANSFER OF INFORMATION

1. Information concerning the use of nuclear energy for peaceful purposes may be transferred. The transfer of information may be accomplished through

various means, including reports, data banks, computer programs, conferences, visits and assignments of experts and staff to facilities. Fields which may be covered include, but shall not be limited to, the following:

- (a) Development, design, construction, operation, maintenance and use of reactors and reactor experiments including magnetic fusion research;
- (b) The production, preparation and use of materials in physical and biological research, medicine, agriculture and industry;
- (c) The nuclear fuel cycle, including mining, mineral exploration, ore processing, processing and use of special nuclear material and byproduct material and management of waste material, and studies of the ways to meet future worldwide civil nuclear needs, including multilateral approaches to guaranteeing nuclear fuel supply;
- (d) Safeguards and physical security of materials and equipment;
- (e) Health, safety and environmental considerations; and
- (f) Assessing national energy needs and the role that nuclear energy may play therein.

2. This agreement does not require the transfer of any information which the parties are not permitted to transfer.

3. Restricted data shall not be transferred under this agreement.

4. Sensitive nuclear technology shall not be transferred under this agreement unless specifically provided for by an amendment to this agreement or by a separate agreement.

Article 4. TRANSFER OF MATERIAL, EQUIPMENT AND COMPONENTS

1. Material, equipment and components may be transferred pursuant to this agreement for applications consistent with this agreement. However, such transfers shall not include sensitive nuclear facilities or major critical components unless specifically provided for by an amendment to this agreement or by a separate agreement.

2. Source material and low enriched uranium may be transferred for use as fuel in reactors and reactor experiments, for enrichment, conversion or fabrication.

3. Special nuclear material other than low enriched uranium and material covered by paragraph 8 may, if the parties agree, be transferred for specified applications where technically and economically justified or where justified for the development and demonstration of reactor fuel cycles to meet energy security and non-proliferation objectives.

4. The quantity of nuclear material transferred under this agreement shall not at any time be in excess of the quantity which the parties agree is necessary for any of the following purposes: the loading of reactors or use in reactor experiments; the efficient and continuous operation of such reactors or conduct of such reactor experiments; and the accomplishment of such other purposes as may be agreed by the parties.

5. If high enriched uranium which is in excess of the quantity required for the purposes described in paragraph 4 exists in Australia, the United States shall have the right to recover any high enriched uranium transferred pursuant to this

agreement (including irradiated high enriched uranium) which contributes to that excess. Should this right be exercised, the parties shall make mutually satisfactory commercial arrangements therefor. Recovery of such high enriched uranium shall not be contingent on prior agreement to such arrangements.

6. The parties shall consult in advance of the exercise of the right referred to in paragraph 5 on the methods of implementation of any such recovery.

7. Any high enriched uranium transferred pursuant to this agreement shall not be at a level of enrichment in the isotope 235 in excess of levels which the parties agree are necessary for the purposes described in paragraph 4.

8. Small quantities of material, including special nuclear material, may be transferred for use as samples, detectors, targets, radiation sources and for such other purposes as the parties may agree. Transfers pursuant to this paragraph shall not be subject to the quantity limitations in paragraph 4.

Article 5. STORAGE AND RETRANSFERS

1. Plutonium or uranium 233 (except as contained in irradiated fuel elements) or high enriched uranium transferred pursuant to this agreement or used in or produced through the use of any material or equipment so transferred, and over which a party has jurisdiction, shall only be stored in a facility which has been agreed to in advance by the parties.

2. Material, equipment or components transferred pursuant to this agreement and special nuclear material produced through the use of such material or equipment, over which the recipient party has jurisdiction, shall not be retransferred:

- (a) To any unauthorized persons within its jurisdiction; or
- (b) Beyond its territorial jurisdiction unless the parties agree.

Article 6. REPROCESSING AND ENRICHMENT

1. Material transferred pursuant to this agreement to, and which is under the jurisdiction of, a party and material used in or produced through the use of any material or equipment so transferred, and which is under the jurisdiction of a party, shall not be reprocessed unless the parties agree.

2. Uranium transferred pursuant to this agreement to, and which is under the jurisdiction of, a party shall not be enriched after transfer to twenty percent or greater in the isotope 235 unless the parties so agree.

3. Plutonium, uranium 233, high enriched uranium or irradiated source or special nuclear material transferred pursuant to this agreement or produced through the use of any material or equipment so transferred, and which is under the jurisdiction of a party, shall not, unless the parties so agree, be altered in form or content, except by irradiation or further irradiation.

Article 7. PHYSICAL SECURITY

1. Each party shall maintain adequate physical security with respect to all material and equipment which is under its jurisdiction and is subject to the relevant agreement specified in paragraph 3 of article 1.

2. The parties agree to the levels for the application of physical security set forth in the annex, which levels may be modified by mutual consent of the parties.

The parties shall maintain adequate physical security measures in accordance with such levels. These measures shall, as a minimum, provide protection comparable to that set forth in Agency document INFCIRC/225/Rev.1, entitled, "The Physical Protection of Nuclear Material" or in any revision of that document agreed to by the parties.

3. The adequacy of physical security measures maintained pursuant to this article with respect to material and equipment transferred pursuant to this agreement and with respect to any special nuclear material used in or produced through the use of any material or equipment so transferred, shall be subject to review and consultation by the parties periodically and whenever either party is of the view that revised measures may be required to maintain adequate physical security.

4. Each party shall identify those agencies or authorities responsible for ensuring that levels of physical security are adequately met and having responsibility for coordinating response and recovery operations in the event of unauthorized use or handling of material subject to this article. Each party shall also designate points of contact within its national authorities to cooperate on matters of out-of-country transportation and other matters of mutual concern.

5. The provisions of this article shall be implemented in such a manner as to avoid hampering, or delay or undue interference in, the parties' respective nuclear activities and so as to be consistent with prudent management practices required for the economic and safe conduct of the parties' respective nuclear programs.

Article 8. NO EXPLOSIVE OR MILITARY APPLICATION

Material, equipment or components transferred pursuant to this agreement to, and which are under the jurisdiction of, a party and material used in or produced through the use of any such material, equipment or components so transferred, which are under the jurisdiction of a party, shall not be used for any nuclear explosive device, for research on or development of any nuclear explosive device, or for any military purpose.

Article 9. SAFEGUARDS

1. Material transferred to Australia pursuant to this agreement and any source or special nuclear material used in or produced through the use of any material, equipment or components so transferred shall be subject to safeguards in accordance with the agreement between Australia and the Agency for the application of safeguards in connection with the Treaty, signed on July 10, 1974.¹

2. Material transferred to the United States pursuant to this agreement and any source or special nuclear material used in or produced through the use of any material, equipment or components so transferred shall be subject to safeguards in accordance with the provisions of the agreement referred to in paragraph 3(b) of article 1.

3. If Australia or the United States becomes aware of circumstances which demonstrate that the Agency for any reason is not or will not be applying safe-

¹ United Nations, *Treaty Series*, vol. 953, p. 358.

guards in accordance with the appropriate agreement referred to in paragraph 1 or 2, to ensure effective continuity of safeguards the parties shall immediately enter into arrangements which conform with Agency safeguards principles and procedures and to the coverage required pursuant to those paragraphs, and which provide assurance equivalent to that intended to be secured by the system they replace.

4. Each party shall establish and maintain a system of accounting for and control of all material transferred pursuant to this agreement and any material used in or produced through the use of any material, equipment or components so transferred. The arrangements referred to in paragraph 2 of article 13 shall include the details of such a system of accounting and control, the procedures of which shall be comparable to those set forth in Agency document INFCIRC/153 (corrected) or in any revision of that document agreed to by the parties.

5. Upon the request of either party, the other party shall report or permit the Agency to report to the requesting party on the status of all inventories of any materials subject to paragraph 1 or 2, as applicable.

6. The parties shall consult and assist each other in, and shall facilitate, the application of safeguards required by this agreement.

Article 10. OVERLAPPING CONTROLS

1. Neither party shall exercise any rights it has to approve the retransfer or enrichment to twenty percent or greater in the isotope uranium 235 by another nation or group of nations of material transferred pursuant to this agreement or otherwise identified as being subject to similar rights of approval by the other party, and shall not exercise any rights it has to approve the retransfer or reprocessing of irradiated fuel elements containing special nuclear material produced through the use of such materials, unless the parties agree. This obligation applies only where the party whose approval has been sought has been notified by the nation or group of nations requesting approval that the other party has such rights of approval or their equivalent. In the event no such notification is received, the parties shall consult prior to granting approval.

2. This article applies only to material transferred after August 7, 1978, except as the parties may otherwise agree.

Article 11. CESSATION OF COOPERATION

1. If either party at any time following entry into force of this agreement does not comply with the provisions of articles 5, 6, 7, 8 or 9 or materially breaches, terminates or abrogates a safeguards agreement with the Agency, the other party shall have the rights:

- (a) To cease further cooperation under this agreement including suspension or cancellation of further transfers of nuclear material; and
- (b) To require the return of any material, equipment or components transferred under this agreement and any special nuclear material produced through the use thereof.

2. If Australia, at any time following entry into force of this agreement, detonates a nuclear explosive device, the United States shall have the same rights as specified in subparagraphs (a) and (b) of paragraph 1.

3. If either party exercises its rights under this article to require the return of any material, equipment or components, it shall, after removal, reimburse the other party for the fair market value of such material, equipment or components.

Article 12. PREVIOUS AGREEMENT TERMINATED

1. The Agreement for cooperation between the Government of the Commonwealth of Australia and the Government of the United States of America concerning the civil uses of atomic energy, signed on June 22, 1956, as amended, shall terminate on the date this agreement enters into force.

2. Cooperation initiated under the previous agreement shall continue in accordance with the provisions of this agreement. All the provisions of this agreement shall apply to material and equipment which was subject to the previous agreement immediately prior to its termination.

Article 13. CONSULTATIONS, ARRANGEMENTS AND CONFIDENTIALITY

1. The parties shall consult at the request of either party regarding the implementation of this agreement and the development of further cooperation in the field of peaceful uses of nuclear energy.

2. The appropriate governmental authorities of both parties shall establish administrative arrangements to ensure the effective implementation of this agreement. Such arrangements may be changed by agreement between the appropriate governmental authorities of both parties.

3. Agreed classification, patent and security policies and practices shall continue to be maintained with respect to all classified information (including any inventions or discoveries employing such information), material and equipment transferred under the previous agreement. In the case of classified information, the foregoing requirement to continue to maintain classification and security policies and practices shall cease to apply if the supplier party has declassified the information, made it public or authorized its release.

4. The parties agree that any information transferred or otherwise received as a result of the operation of this agreement which at the time of transfer or receipt is designated by the supplier party to be proprietary or confidential shall be accorded protection commensurate with the importance assigned to it by the supplier party as allowed by a law within the jurisdiction of the recipient party.

Article 14. ENTRY INTO FORCE AND DURATION

1. This agreement shall enter into force on the date upon which the parties exchange diplomatic notes informing each other that they have complied with all applicable requirements for its entry into force, and shall remain in force for an initial period of thirty years. This term may be extended for such additional periods as may be agreed between the parties in accordance with their applicable requirements.

2. Notwithstanding the suspension, termination or expiration of this agreement or any cooperation hereunder for any reason, the guarantees in articles 5, 6, 7, 8 and 9 and the provisions of article 11 shall continue in effect so long as any material, equipment or components subject to these articles remain in the territory of the party concerned or under its jurisdiction or control anywhere, or until such

time as the parties agree that such material, equipment or components are no longer usable for any nuclear activity relevant from the point of view of safeguards.

IN WITNESS WHEREOF, the undersigned, being duly authorized by their respective Governments, have signed this Agreement.

DONE at Canberra on 5th July 1979, in two originals, in the English language.

For the Government
of Australia:

[Signed — Signé]¹

For the Government
of the United States of America:

[Signed — Signé]²

ANNEX

Pursuant to paragraph 2 of article 7, the agreed levels of physical security to be ensured by the competent national authorities in the use, storage and transportation of the materials listed in the attached table shall as a minimum include protection characteristics as follows:

Category III:

- Use and storage within an area to which access is controlled.
- Transportation under special precautions including prior arrangements among sender, recipient and carrier, and prior agreement between entities subject to the jurisdiction and regulation of supplier and recipient States, respectively, in case of international transport specifying time, place and procedures for transferring transport responsibility.

Category II:

- Use and storage within a protected area to which access is controlled, i.e., an area under constant surveillance by guards or electronic devices, surrounded by a physical barrier with a limited number of points of entry under appropriate control, or any area with an equivalent level of physical protection.
- Transportation under special precautions including prior arrangements among sender, recipient and carrier, and prior agreement between entities subject to the jurisdiction and regulation of supplier and recipient States, respectively, in case of international transport, specifying time, place and procedures for transferring transport responsibility.

Category I:

Material in this category shall be protected with highly reliable systems against unauthorized use as follows.

- Use and storage within a highly protected area, i.e., a protected area as defined for category II above, to which, in addition, access is restricted to persons whose trustworthiness has been determined, and which is under surveillance by guards who are in close communication with appropriate response forces. Specific measures taken in this context should have as their objective the detection and prevention of any assault, unauthorized access or unauthorized removal of material.
- Transportation under special precautions as identified above for transportation of categories II and III materials and, in addition, under constant surveillance by escorts and under conditions which assure close communication with appropriate response forces.

¹ Signed by Andrew Peacock — Signé par Andrew Peacock.

² Signed by Cyrus R. Vance — Signé par Cyrus R. Vance.

Table: CATEGORIZATION OF NUCLEAR MATERIAL

| Material | Form | Category | | |
|---------------------------|--|--------------|---|------------------------------|
| | | I | II | III |
| 1. Plutonium ^a | Unirradiated ^b | 2 kg or more | Less than 2 kg but more than 500 g | 500 g or less ^c |
| 2. Uranium-235 | Unirradiated ^b | | | |
| | —Uranium enriched to 20% ²³⁵ U or more | 5 kg or more | Less than 5 kg but more than 1 kg | 1 kg or less ^c |
| | —Uranium enriched to 10% ²³⁵ U but less than 20% | — | 10 kg or more | Less than 10 kg ^c |
| | —Uranium enriched above natural, but less than 10% ²³⁵ U ^d | | | 10 kg or more |
| 3. Uranium-233 | Unirradiated ^b | 2 kg or more | Less than 2 kg but more than 500 g | 500 g or less ^c |
| 4. Irradiated fuel | | | Depleted or natural uranium, thorium or low-enriched fuel (less than 10% fissile content) ^{e, f} | |

^a All plutonium except that with isotopic concentration exceeding 80% in plutonium-238.

^b Material not irradiated in a reactor or material irradiated in a reactor but with a radiation level equal to or less than 100 rads/hour at one metre unshielded.

^c Less than a radiologically significant quantity should be exempted.

^d Natural uranium, depleted uranium and thorium and quantities of uranium enriched to less than 10% not falling in category III should be protected in accordance with prudent management practice.

^e Although this level of protection is recommended, it would be open to States, upon evaluation of the specific circumstances, to assign a different category of physical protection.

^f Other fuel which by virtue of its original fissile material content is classified as category I or II before irradiation may be reduced one category level while the radiation level from the fuel exceeds 100 rads/hour at one metre unshielded.

AGREED MINUTE

During the negotiation of the proposed Agreement between Australia and the United States concerning peaceful uses of nuclear energy ("agreement") signed today, the following understandings, which shall be an integral part of the agreement, were reached.

TRANSITIONAL ARRANGEMENTS

It was noted that the United States has completed negotiations with the Agency on the text of an agreement for the application of safeguards by the Agency in the United States of America, and that the text of that agreement has been approved by the Board of Governors of the Agency. It was also noted that that agreement was, on February 9, 1978, submitted to the United States Senate for advice and consent to ratification. Pending the entry into force of that agreement and notwithstanding paragraph 3(b) of article 1 and paragraphs 2 and 3 of article 9 of the agreement, cooperation may continue in accordance with the terms of the agreement, including deliveries of Australian uranium under contracts approved

by Australia prior to December 2, 1972, but deliveries of Australian uranium under contracts approved after December 2, 1972, may commence only upon entry into force of the agreement between the United States and the Agency.

With reference to paragraphs 1 and 2 of article 7 of the agreement, while most facilities in the United States provide physical protection comparable to that specified for materials classified as category II and III in the table attached to the annex, the United States has not completed the necessary rulemaking procedures with respect to physical protection for these materials. Pending completion of the rulemaking procedures, if any proposed recipient of category II or III material transferred pursuant to the agreement does not provide physical protection as a minimum comparable to that set forth in INFCIRC/225/Rev.1, the United States shall so inform Australia prior to shipment of such material and seek interim arrangements satisfactory to both parties.

With respect to paragraph 2 of article 12, in order to facilitate the application of the provisions of this agreement to material and equipment subject to the previous agreement, the parties shall establish a list of such material and equipment.

RETURN OF MATERIAL, EQUIPMENT OR COMPONENTS

The exercise of the rights of a party under paragraph 5 of article 4 of the agreement and under article 11 of the agreement is not in any way qualified by the provisions of articles 5 or 6 of the agreement relating to prior agreement between the parties on storage, retransfer, high enrichment and reprocessing.

COVERAGE OF THE AGREEMENT

Unless specifically agreed to the contrary, all source material, special nuclear material and equipment hereafter transferred from the territory of one party to the territory of the other party for peaceful purposes, whether directly or through a third country, shall be regarded as having been transferred pursuant to the agreement. The appropriate governmental authority of the supplier party shall, before shipment, notify the appropriate governmental authority of the recipient party of any such transfer.

The parties will agree on which material other than source or special nuclear material and which components, transferred from the territory of one party to the territory of the other party for peaceful nuclear purposes, whether directly or through a third country, shall be regarded as having been transferred pursuant to the agreement.

Certain other items that are not material, equipment or components and certain quantities of materials that lack significance for nuclear explosive purposes have been and will continue to be transferred in accordance with the applicable laws of the parties, both between the parties and through persons under their jurisdiction. As appropriate and as the parties may agree, these transfers may be deemed to be authorized under the agreement.

Similarly, the parties have been engaging and will continue to engage actively in international cooperation on international environmental considerations relevant to peaceful nuclear activities.

For the purposes of implementing the rights specified in articles 5, 6 and 7 with respect to special nuclear material produced through the use of material

transferred and not used in or produced through the use of equipment transferred pursuant to the agreement, such rights shall, in practice, be applied to that proportion of special nuclear material produced which represents the ratio of transferred material used in the production of the special nuclear material to the total amount of material so used, and similarly for subsequent generations.

The quantity limitations referred to in paragraph 4 of article 4 of the agreement will not apply to material undergoing toll processing in the United States (i.e., conversion, enrichment or fuel fabrication of such material for use in a third country) or material that remains in the United States after toll processing.

SAFEGUARDS

Any safeguards arrangements referred to in paragraph 3 of article 9 shall include the following characteristics:

- (a) The review in a timely fashion of the design of any equipment transferred pursuant to the agreement or of any facility which is to use, fabricate, process or store any material so transferred or any special nuclear material used in or produced through the use of such material or equipment;
- (b) The maintenance and production of records and of relevant reports for the purpose of assisting in ensuring accountability for material transferred pursuant to the agreement and any source or special nuclear material used in or produced through the use of any material, equipment or components so transferred.
- (c) The designation of personnel acceptable to the safeguarded party who, accompanied, if either party so requests, by personnel designated by the safeguarded party, shall have access to all relevant places and data (the safeguarded party will not unreasonably withhold acceptance of such personnel designated by the safeguarding party);
- (d) The inspection of any relevant equipment or facility;
- (e) The installation of any relevant devices; and
- (f) The provision for such relevant independent measurements as deemed necessary by the safeguarding party.

For the Government
of Australia:

[Signed — Signé]¹

For the Government
of the United States of America:

[Signed — Signé]²

¹ Signed by Andrew Peacock — Signé par Andrew Peacock.

² Signed by Cyrus R. Vance — Signé par Cyrus R. Vance.