

No. 32675

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**CANADA**  
**and**  
**UNITED STATES OF AMERICA**

**Exchange of letters constituting an agreement concerning cooperation on the application of non-proliferation assurances to Canadian uranium retransferred from the United States of America to Taiwan (with annex dated 23 February 1993). Washington, 24 February and 5 March 1993**

*Authentic texts: English and French.*

*Registered by Canada on 27 February 1996.*

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

**Échange de lettres constituant un accord concernant la coopération à l'égard des garanties de non-prolifération applicables à l'uranium canadien retransféré des États-Unis d'Amérique à Taïwan (avec annexe en date du 23 février 1993). Washington, 24 février et 5 mars 1993**

*Textes authentiques : anglais et français.*

*Enregistré par le Canada le 27 février 1996.*

EXCHANGE OF LETTERS CONSTITUTING AN AGREEMENT<sup>1</sup> BETWEEN CANADA AND THE UNITED STATES OF AMERICA ON THE APPLICATION OF NON-PROLIFERATION ASSURANCES TO CANADIAN URANIUM RE-TRANSFERRED FROM THE UNITED STATES OF AMERICA TO TAIWAN

ÉCHANGE DE LETTRES CONSTITUANT UN ACCORD<sup>1</sup> ENTRE LE CANADA ET LES ÉTATS-UNIS D'AMÉRIQUE CONCERNANT LA COOPÉRATION À L'ÉGARD DES GARANTIES DE NON-PROLIFÉRATION APPLICABLES À L'URANIUM CANADIEN RE-TRANSFÉRÉ DES ÉTATS-UNIS D'AMÉRIQUE À TAIWAN

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CANADIAN EMBASSY

AMBASSADE DU CANADA

501 PENNSYLVANIA AVE., N.W.  
WASHINGTON, D.C. 20001

24 February 1993

Dear Mr. Stratford:

I have the honour to refer to discussions between officials of the Governments of the United States of America and Canada concerning cooperation between Canada and the United States of America on the application of non-proliferation assurances to Canadian uranium to be transferred from Canada to the United States of America for enrichment and fabrication into fuel and thereafter retransferred to Taiwan for use in nuclear reactors for the generation of electricity on Taiwan. Pursuant to these discussions, the Government of Canada proposes the provisions set forth in the Annex to this Letter to govern that cooperation.

I have the honour to propose that this Letter with its Annex, which is authentic in English and French, and your reply expressing that the foregoing is acceptable to the Government of the United States of America, shall constitute an Agreement between our two Governments which shall enter into force on the date of your reply and shall remain in force indefinitely, unless terminated by either Party upon six months' notice to the other Party. The Annex shall constitute an integral part of this Agreement.

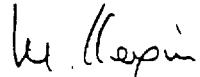
<sup>1</sup> Came into force on 5 March 1993, the date of the letter in reply, in accordance with the provisions of the said letters.

<sup>1</sup> Entré en vigueur le 5 mars 1993, date de la lettre de réponse, conformément aux dispositions desdites lettres.

I wish to note that the Canadian Government recognizes the Government of the People's Republic of China as the sole legal Government of China and that nothing in this Agreement shall be construed in any way to imply recognition by the government of Canada of the authorities on Taiwan.

Please accept the assurances of my highest consideration.

Yours sincerely,



MICHAEL KERGIN  
Chargé d'affaires a.i.

Mr. Richard Stratford  
Deputy Assistant Secretary  
Nuclear Energy and Energy  
Technology Affairs  
U.S. Department of State  
Room 7831  
2201 C. Street, N.W.  
Washington, D.C. 20520

### ANNEX

Recognizing that Canada and the United States of America have a common desire to ensure that source material and special nuclear material transferred to Taiwan for use in peaceful nuclear activities and any special nuclear material produced therefrom are not used to manufacture or otherwise acquire nuclear weapons or other nuclear explosive devices;

Recognizing that Canada seeks to ensure that Canadian uranium on Taiwan and special nuclear material produced therefrom be subject to nuclear non-proliferation assurances consistent with Canadian non-proliferation policy;

Recognizing that uranium destined for use on Taiwan will be transferred from Canada to the United States of America for enrichment in the isotope U-235 to enrichment levels normally required for the generation of electricity (i.e. up to 5 percent in the isotope U-235) and fabrication into fuel;

Recognizing that uranium transferred from Canada to the United States of America for retransfer to Taiwan, pursuant to this Agreement, will be subject to the Agreement for Cooperation Concerning Civil Uses of Atomic Energy between the Government of Canada and the Government of the United States, signed on June 15, 1955,<sup>1</sup> as amended (hereinafter referred to as the "Cooperation Agreement");

Recognizing that Article XII (D) of the Cooperation Agreement provides that "designated nuclear technology, material, equipment and devices, major critical components, components and Restricted Data subject to this Agreement and over which a Party has jurisdiction, shall not be transferred to unauthorized persons, or, unless the Parties agree, beyond the territorial jurisdiction of that Party.";

In order for Canada to make uranium available to Taiwan for use in nuclear reactors for the generation of electricity on Taiwan:

1. Prior to the transfer of uranium from Canada to the United States of America for retransfer to Taiwan pursuant to this Agreement, Canada shall notify the United States of America that such uranium is destined for use in nuclear reactors for the generation of electricity on Taiwan.

Uranium that has been the subject of this notification and has been retransferred from the United States of America to Taiwan is referred to in this Agreement as "Canadian uranium".

2. Canada agrees that the United States of America may retransfer uranium that has been the subject of notification pursuant to paragraph 1, above, to Taiwan.

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<sup>1</sup> United Nations, *Treaty Series*, vol. 235, p. 174.

3. The United States of America shall ensure that Canadian uranium and special nuclear material produced therefrom are, while on Taiwan, subject to all provisions of the Agreement for Cooperation Concerning Civil Uses of Atomic Energy, signed April 4, 1972 (reproduced at TIAS 7364; 23 UST 945), as amended, (hereinafter referred to as the 1972 Agreement) while the 1972 Agreement is in force or, in the event that the 1972 Agreement is replaced, to the provisions of any succeeding agreement while such succeeding agreement is in force. It is understood that Canadian uranium and special nuclear material produced therefrom shall, while on Taiwan, always be subject to the 1972 Agreement or to a succeeding agreement. The United States of America shall consult with Canada about the amendment, replacement, suspension or termination of the 1972 Agreement or of any succeeding agreement.

4. Except as provided in paragraph 9, below, the United States of America shall ensure that Canadian uranium and special nuclear material produced therefrom are, while on Taiwan, subject to the Safeguards Transfer Agreement, signed December 6, 1971<sup>1</sup> (reproduced in International Atomic Energy Agency document INFCIRC/158 of March 8, 1972 and hereinafter referred to as the Safeguards Agreement) while the Safeguards Agreement is in force or, in the event that the Safeguards Agreement is replaced, to the provisions of any succeeding agreement while such succeeding agreement is in force. The United States of America shall consult with Canada about the amendment, replacement, suspension or termination of the Safeguards Agreement or of any succeeding agreement.

5. The United States of America shall inform Canada of the isotopic composition and the total weight of uranium that has been the subject of notification pursuant to paragraph 1, above, and has been retransferred from the United States of America to Taiwan.

6. Upon each retransfer of uranium that has been the subject of notification pursuant to paragraph 1, above, from the United States of America to Taiwan, the United States of America shall, through appropriate channels, identify such uranium to Taiwan as Canadian.

7. The United States of America shall approve the retransfer from Taiwan of Canadian uranium or special nuclear material produced therefore only to such third parties as have been identified as acceptable by Canada in writing from time to time. Prior to each such retransfer, the United States of America shall consult with Canada with a view to reaching agreement on measures to ensure that retransferred Canadian uranium and retransferred special nuclear material produced from Canadian uranium become subject to a nuclear cooperation agreement between Canada and the recipient third party. This commitment applies only when the United States of America has been advised that Canadian uranium or special nuclear material produced therefrom is involved and the retransfer is to a destination other than Canada.

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<sup>1</sup> United Nations, *Treaty Series*, vol. 850, p. 47.

8. In the event that the consent of United States of America is sought for the reprocessing or enrichment to twenty percent or greater in the isotope U-235 of Canadian uranium or special nuclear material produced therefrom, the United States of America shall consult Canada with a view to reaching agreement prior to exercising any rights it has to approve the enrichment or reprocessing. This commitment applies only when the United States of America has been advised that Canadian uranium or special nuclear material produced therefrom is involved.

9. If for any reason or at any time, the International Atomic Energy Agency is not applying safeguards pursuant to the Safeguards Agreement, or (in the event that such Agreement is replaced) pursuant to the provisions of any succeeding agreement, to Canadian uranium on Taiwan or special nuclear material on Taiwan produced from Canadian uranium, the United States of America shall consult Canada with a view to reaching agreement on the application of fallback safeguards to such Canadian uranium and special nuclear material. Fallback safeguards may include the invocation by the United States of America of its existing rights under the 1972 Agreement with a view to ensuring that the safeguards provided for in the 1972 Agreement are applied to Canadian uranium and special nuclear material produced therefrom. If the United States of America exercises its rights under the 1972 Agreement to require the return from Taiwan of material subject to that Agreement, Canadian uranium and special nuclear material produced therefrom that are returned shall, unless otherwise agreed, become subject to the Cooperation Agreement upon leaving Taiwan.

10. The United States of America shall maintain an inventory of the Canadian uranium on Taiwan, and based on information received, through appropriate channels, from Taiwan, of special nuclear material on Taiwan produced therefrom. The United States of America shall provide this inventory to Canada annually.

11. The United States of America shall, to the extent permitted by United States law, consult Canada if it has reason to believe:

- that it has not been advised that a request for consent to retransfer from Taiwan or to reprocess on Taiwan or enrich to twenty percent or greater in the isotope U-235 on Taiwan, Canadian uranium or special nuclear material produced therefrom, actually involves Canadian uranium or special nuclear material produced therefrom, or

- that Canadian uranium or special nuclear material produced therefrom is not being identified as Canadian while on Taiwan.

12. Canada and the United States of America shall consult at any time at the request of either Party to ensure the effective implementation of this Agreement.

13. The appropriate governmental authorities shall ensure that administrative arrangements are in place to facilitate

the effective implementation of this Agreement. They shall consult annually or at any other time at the request of either authority. Such consultations may take the form of an exchange of correspondence.

14. Any dispute concerning the interpretation or application of this Agreement shall be resolved in accordance with the provisions of Article XIII BIS of the Cooperation Agreement.

15. Notwithstanding the suspension or termination of this Agreement, paragraphs 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13 and 14 shall remain in force,

(1) while any source material or special nuclear material subject to these provisions is on Taiwan, or

(ii) until such time as Canada and the United States of America agree that source material or special nuclear material subject to these provisions is no longer usable for any nuclear activity relevant from the point of view of safeguards.

## II

UNITED STATES DEPARTMENT OF STATE  
BUREAU OF OCEANS AND INTERNATIONAL  
ENVIRONMENTAL AND SCIENTIFIC AFFAIRS  
WASHINGTON, D.C. 20520

March 5, 1993

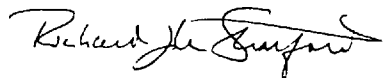
Dear Mr. Kergin:

I have the honor to refer to discussions between officials of the Governments of Canada and the United States of America concerning cooperation between Canada and the United States of America on the application of non-proliferation assurances to Canadian uranium transferred from Canada to the United States of America for enrichment and fabrication into fuel and which will be retransferred to Taiwan for use in nuclear reactors for the generation of electricity on Taiwan and to your letter of February 24, 1993. Pursuant to these discussions, the Government of Canada proposed the terms and conditions set forth in the Annex to that letter to govern that cooperation.

The foregoing is acceptable to the Government of the United States of America, and I agree that your letter of February 24, 1993 with the Annex, which are authentic in English and French (separately dated February 23, 1993), and my reply shall constitute an agreement between our two Governments which enters into force on the date of this letter and shall remain in force indefinitely, unless terminated by either Party upon six months' notice to the other Party. The Annex shall constitute an integral part of this Agreement.

Please accept the assurance of my highest consideration.

Sincerely,



RICHARD J. K. STRATFORD  
Deputy Assistant Secretary  
for Nuclear Energy  
and Energy Technology Affairs

Mr. Michael Kergin  
Chargé d'affaires a.i.  
Embassy of Canada  
501 Pennsylvania Avenue, N.W.  
Washington, D.C. 20001