

ANNEX II
TO THE PROTOCOL
BETWEEN
THE DEPARTMENT OF ENERGY OF THE UNITED STATES OF AMERICA
AND
THE MINISTRY OF SCIENCE AND TECHNOLOGY OF THE
PEOPLE'S REPUBLIC OF CHINA
FOR
COOPERATION IN THE FIELDS OF ENERGY EFFICIENCY AND
RENEWABLE ENERGY TECHNOLOGY DEVELOPMENT
AND UTILIZATION

FOR
ELECTRIC, HYBRID-ELECTRIC, FUEL CELL, AND ALTERNATIVE
FUEL VEHICLE DEVELOPMENT

The Department of Energy of the United States of America (USDOE) and the Ministry of Science and Technology (MOST) of the People's Republic of China (PRC), hereinafter referred to as the "Parties":

Noting the Agreement between the Government of the United States of America and the Government of the People's Republic of China on Cooperation in Science and Technology signed at Washington on January 31, 1979, as amended and extended, hereinafter referred to as the "Umbrella Agreement;"

Noting that under the Umbrella Agreement the Parties signed a Protocol for Cooperation in the Fields of Energy Efficiency and Renewable Energy Technology Development and Utilization on December 15, 2006, hereinafter referred to as the "Protocol;"

Noting that Article 2 of the Protocol identifies a number of areas for potential cooperation in the field of energy conservation technology in transportation and technology for alternative automobile fuel; and that Article 6 of the Protocol provides that the USDOE and the MOST may invite other organizations to participate in cooperative activities under the Protocol; and

Desiring to establish cooperation between agencies in the United States and in the PRC for electric and hybrid-electric vehicle development, as well as other modes of electric transportation including hybrid, fuel cell and alternative fuel vehicles, and electric bicycles, in order to enhance the commercialization potential of such technology for the benefit of the Parties' countries;

Have agreed as follows:

ARTICLE I – OBJECTIVE

- A. This Annex is subject to the terms and conditions of the Umbrella Agreement and the Protocol. In the event of any conflict between the terms and conditions of the Umbrella Agreement or the Protocol and this Annex, the Umbrella Agreement and the Protocol shall govern.
- B. The objective of this Annex is to establish the framework for specific collaboration, including demonstrations as provided in Article IV, in order to promote large-scale deployment in the PRC and the United States of advanced automotive technologies for electric vehicles, including light duty passenger and business vehicles and electric buses, and other forms of electric, alternative fuel, and hybrid fuel cell transportation, into appropriate fleets and other applications. The collaboration will be undertaken with support from DOE and MOST, national laboratories, the automobile industries in the United States and the PRC, and U.S. and Chinese private industry organizations involved in energy efficient transportation.

ARTICLE II – AREAS FOR COOPERATION

Cooperation under this Annex may include, but is not limited to, the following areas:

- A. Technical Cooperation
 - 1. Advanced Batteries;
 - 2. Alternating Current Motor Control Systems;
 - 3. Fast Charging Batteries;
 - 4. Advanced Materials for Vehicle Systems; and
 - 5. Vehicle Charging and Fueling Infrastructure.
- B. Provision of Information

Electric, Hybrid Electric, Alternative Fuel and Fuel Cell Vehicles
Infrastructure Requirements: Building Codes and Safety Standards, Non-Financial and Regulatory Incentives, and Electricity Rates.

ARTICLE III – PARTICIPATING ORGANIZATIONS

- A. The principal organization responsible for conducting the cooperative activities under this Annex in the United States shall be the USDOE. The principal organization responsible for conducting the cooperative activities under this Annex in the PRC shall be the MOST.

- B. Each Party may invite other government agencies and organizations and private organizations in its country to participate in cooperative activities under this Annex at the participating organization's own expense and subject to such terms and conditions as the Parties may specify. For the USDOE, such participating organizations may include USDOE national laboratories.

ARTICLE IV – FORMS OF COOPERATION

Cooperative activities undertaken pursuant to this Annex may include, but are not limited to, the following:

- A. Exchange of Technical Information and Experiences and Collaborative Visits

The Parties will exchange technical information and experiences and arrange collaborative visits. These exchanges and visits may address research and development programs, technical and economic evaluation, maintenance and operational procedure, and facilities relating to electric, hybrid-electric, fuel cell and alternative fuel vehicle technology.

- B. Economic, Environment, and Policy Studies

The Parties will conduct specific economic and policy studies in order to enhance joint understanding of appropriate mechanisms and policies to promote rapid implementation of electric vehicles in an environmentally and economically acceptable manner. The Parties will explore the need for a joint environmental evaluation of such implementation and will develop and implement such an evaluation, as appropriate.

- C. Demonstrations

The Parties will explore the need for demonstrations in order to show the technical and economic feasibility of electric vehicle technologies in areas of cooperation set out in Article II of this Annex. USDOE may send to the PRC vehicles, instrumentation, equipment or spare parts for use in demonstrations carried out under this Annex, which vehicles and other items shall remain U.S. Government property unless otherwise agreed in writing. Such property may be donated to the Government of the PRC or exchanged for data or information owned by the Government of the PRC consistent with the laws and regulations of the Parties' countries. The MOST shall pay the cost of demonstration activities, transportation, and installation related to demonstrations.

Each Party shall exercise due care in carrying out demonstration projects under this Annex.

D. Professional Training

The Parties will explore the need to train PRC professionals in electric vehicle and supporting technologies.

ARTICLE V – MANAGEMENT

The Parties shall each designate one Project Coordinator. The Project Coordinators shall jointly plan the technical approach for accomplishing the objective of this Annex, and shall be responsible for the collaborative program, schedule, and coordination. The Project Coordinators will also make progress reports at Project Coordination Meetings to be held at mutually agreed sites, preferably annually.

ARTICLE VI – COSTS AND LEGAL PROVISIONS

Except when otherwise specifically agreed by the Parties in writing, all costs (including travel and lodging expenses) resulting from cooperation under this Annex shall be borne by the Party that incurs them. The implementation of this Annex is subject to the availability of appropriated funds and personnel, and to applicable laws and regulations of the countries of the Parties.

ARTICLE VII – INTELLECTUAL PROPERTY RIGHTS

Article 8 of the Protocol and Annex I of the Umbrella Agreement govern the dissemination, use and protection of information used or generated in the course of activities conducted under this Annex, and the allocation of intellectual property rights arising from this activity.

ARTICLE VIII – ENTRY INTO FORCE AND TERMINATION

- A. This Annex shall enter into force upon signature by the Parties and remain in force for five (5) years or until termination of the Protocol, whichever occurs first. This Annex may be amended or extended by written agreement of the Parties, so long as the Protocol remains in force.
- B. At the discretion of either Party, this Annex may be terminated upon six (6) months advance notice in writing to the other Party.

SIGNED at Washington, DC, this 17th day of September, 2007, in duplicate, in the English and Chinese languages, each text being equally authentic.

FOR THE DEPARTMENT OF
ENERGY OF THE UNITED STATES
OF AMERICA:



FOR THE MINISTRY OF SCIENCE
AND TECHNOLOGY OF
THE PEOPLE'S REPUBLIC OF CHINA:

