MEMORANDUM OF UNDERSTANDING AMONG THE GENERAL ADMINISTRATION OF CUSTOMS, THE GENERAL ADMINISTRATION OF QUALITY SUPERVISION, INSPECTION, AND QUARANTINE OF THE PEOPLE'S REPUBLIC OF CHINA

AND

THE DEPARTMENT OF ENERGY OF THE UNITED STATES OF AMERICA CONCERNING

COOPERATION TO PREVENT THE ILLICIT TRAFFICKING IN NUCLEAR AND OTHER RADIOACTIVE MATERIAL

The General Administration of Customs (GACC) of the People's Republic of China, the General Administration of Quality Supervision, Inspection, and Quarantine (AQSIQ) of the People's Republic of China (PRC), and the United States of America Department of Energy (DOE), hereinafter referred to collectively as the "Participants",

Desiring to cooperate to prevent the illicit trafficking in nuclear and other radioactive material through technical and methodological cooperation, including the improvement of systems for the detection and identification of these materials at jointly determined seaports of the PRC;

Recognizing the increasing threats to global security posed by terrorists' attempts to acquire nuclear and other weapons of mass destruction;

Being convinced of the need to detect, deter, and prevent the illicit trafficking in nuclear and other radioactive material, including terrorist attempts to disrupt global trade through or from international seaports or to make use of commercial shipping to further terrorist schemes;

Recognizing the high volume of trade between seaports in the PRC and the U.S, and the role of PRC seaports as international transport hubs for cargo originating in many countries;

Noting the Declaration of Principles Relating to Bilateral Customs Cooperation at Seaports to Enhance Security of Ocean-Going Containers between the General Administration of Customs of the People's Republic of China (GACC) and the United States Bureau of Customs and Border Protection (CBP) dated July 29, 2003, and

Emphasizing the principle of reciprocity and mutual benefits,

Have reached the following understanding:

I. SCOPE OF COOPERATION

- 1. The DOE, through its National Nuclear Security Administration, intends to provide the PRC Participants technical assistance funded by DOE in the form of equipment and materials, as well as training and services, for use at PRC seaports mutually determined by the Participants, for the purpose of detecting and preventing illicit trafficking in special nuclear material and other radioactive material.
- 2. For purposes of this Memorandum of Understanding (MOU), "special nuclear material" means plutonium, and uranium enriched to 20 percent or more in the isotope U-235. "Other radioactive material" includes, but is not limited to, radiological dispersal devices and radioactive sources suitable for use in radioactive dispersal devices. The Participants will mutually develop a written list of special nuclear material and other radioactive material.
- 3. DOE intends to provide the following technical assistance:
- a. provision to the PRC Participants of detailed technical specifications, from publicly available open literature sources, of radiation detection equipment appropriate for customs control conditions at PRC seaports, said specifications to be used by the PRC Participants to manufacture the said equipment and spare parts therefore within the PRC;
- b. support for installation at PRC seaports, mutually determined by the Participants, of the equipment identified in paragraph 3a: including testing, setup, and demonstration of the equipment as long as it meets the standards set by GACC, provided that DOE determines that the equipment manufactured by the PRC meets the technical specifications provided by DOE;
- c. delivery of all necessary spare parts kits, test equipment and maintenance equipment to maintain equipment referred to in paragraph 3a;
 - d. support for maintenance of the equipment referred to in paragraph 3a;
- e. training PRC Participants in detection of special nuclear material and other radioactive material, and in the proper use and maintenance of equipment referred to in paragraph 3a,

such training to be based on a training plan determined by the Participants; and

f. sharing with the PRC Participants of DOE's experience in providing technical assistance to other countries to prevent illicit trafficking in special nuclear material and other radioactive material, and DOE's best efforts to arrange visits by PRC representatives to facilities in those countries.

- 4. Upon reasonable request by DOE, representatives of DOE may make technical evaluations of the equipment supplied under this MOU, starting from the deployment date of the equipment, the content of, and procedure and arrangements for, the technical evaluations to be determined and written by the Participants.
- 5. The Participants intend to conduct technical workshops, site surveys, verification inspections, operational consultations and acceptance testing of equipment referred to in Section 1 paragraph 3a in accordance with a mutually developed written plan. Joint working groups of the Participants' staff members and their respective technical experts may be formed to exchange technical information and to make proposals on technical and training matters to ensure the effective implementation of this MOU.
- 6. The terms of any technical assistance provided under this MOU are expected to be set forth in contracts or other written arrangements between the United States and PRC Participants or their designated implementing agents.
- 7. The PRC Participants intend to ensure that equipment and materials provided under this MOU are afforded priority processing to allow prompt engineering approvals, and equipment and materials deliveries to their ultimate destination at designated seaports within the PRC.

II. PROVISION OF INFORMATION

The PRC Participants are expected to furnish DOE or its designated representatives present in the PRC, in a format and according to conditions to be determined and written by the Participants, with information on any detection or seizures of illicitly trafficked special nuclear material and of other radioactive material referred to in Section I, paragraph 2 made as a result of the use of the equipment and materials supplied under this MOU.

III. NON-TRANSFER, NON-DISCLOSURE

1. Information obtained by a Participant's Government as a result of the technical assessment and implementation of cooperation under this MOU should not be disclosed to a third government or other third party without the prior consent of the other Participants.

Transfer of information by a Participant's Government, as required under international agreements to which such Government is a party, is not regarded as such disclosure to third governments or other third parties. The fact of any such transfer of information to a third government or other third party should be promptly notified to the other Participants in writing.

2. Unless the written consent of DOE has first been obtained, the PRC Participants are not to transfer title to, or possession of, any equipment provided by DOE pursuant to this MOU.

IV. TAX AND CUSTOMS TREATMENT OF ASSISTANCE

The Participants understand that neither DOE nor its implementing agents are to pay any taxes, duties or other charges on equipment, materials, training or services provided under this MOU.

The necessary components and spare parts for the manufacturing of the equipment in PRC with DOE funding and technical support are to be exempted from duties and VAT in the process of import.

V. GENERAL PROVISION

The MOU represents a political commitment by the Participants and does not constitute a legally binding agreement. All activities of each Participant should be carried out in accordance with the laws and regulations of that Participant's Government and applicable agreements to which that Participant's Government is party.

VI. EFFECTIVE DATE AND DURATION

- 1. Implementation of this MOU may begin upon signature by all Participants. The MOU is effective for a period of three years. If any Participant wishes to end its cooperation under the MOU, it should endeavor to provide at least 90 days' advance written notice to the other Participants. However, if no notification in writing is given to the other Participants no later than 90 days before expiration of the MOU, then the MOU is to be in effect for another three years.
- 2. Withdrawal of United States DOE or both PRC Participants will constitute termination of the MOU.
- 3. The MOU may be modified in writing by the Participants' consent. Any such modifications may take effect upon signature by the Participants.
- 4. The Participants intend to implement the cooperative activities contemplated by this MOU based on mutual respect and cooperative spirit.

Signed in Beijing, 19th of November, 2005, in triplicate, in the English and Chinese languages.

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