

Annex I
to the IMPLEMENTING ARRANGEMENT
BETWEEN
THE DEPARTMENT OF ENERGY OF THE UNITED STATES OF AMERICA
AND
THE AGENCY OF NATURAL RESOURCES AND ENERGY OF JAPAN
CONCERNING COOPERATION IN
THE JOINT NUCLEAR ENERGY RESEARCH INITIATIVE
On advanced Nuclear Technologies

The Department of Energy of the United States of America (DOE) and the Agency of Natural Resources and Energy of Japan (ANRE), hereinafter referred to as the Parties

NOTING the Implementing Arrangement between the Department of Energy of the United States of America and the Agency of Natural Resources and Energy of Japan Concerning Cooperation in the Joint Nuclear Energy Research Initiative, signed on May 26, 2004 (hereinafter referred to as the "Implementing Arrangement");

NOTING further that representatives of DOE's Office of Nuclear Energy, Science and Technology and ANRE have identified common interests in innovative light water reactor technologies, including supercritical light water, innovative processing technologies of oxide fuel for light water reactor, and innovative fuel technologies using solvent extraction;

DESIRING to pursue collaboration directed towards research and development programs and activities aimed at furthering a basic understanding of, and finding solutions to common problems associated with, nuclear energy technologies and its applications; and

CONFIRMING that activities undertaken in accordance with this Annex are intended to result in substantial mutual benefit and are intended to occur in specific areas where the programs and activities of the Parties complement one another as well as those in which comparability exists,

The Parties hereby agree to initiate collaborative projects in the areas of innovative light water reactor technologies, including supercritical light water, innovative processing technologies of oxide fuel for light water reactor, and innovative fuel technologies using solvent extraction, as authorized under Article 2 of the Implementing Arrangement.

I. Principals

- A. The Office of Nuclear Energy, Science and Technology of the U.S. Department of Energy.
- B. Nuclear Policy Planning Division of the Japan Agency of Natural Resources and Energy.

II. Principles

- A. This Annex is subject to and governed by the Implementing Arrangement.
- B. The implementation of this Annex is also subject to the availability of appropriated funds and personnel, and Principals shall carry out their responsibilities subject to the applicable laws and regulations to which they are respectively subject.

III. Projects

- A. The Parties may establish such projects related to innovative light water reactor technologies,

including supercritical light water, innovative processing technologies of oxide fuel for light water reactor, and innovative fuel technologies using solvent extraction, as they agree in writing and/or at an annual meeting of the U.S.-Japan Joint Coordinating Committee (hereafter referred to as the "JCC") after each Party identifies candidate joint proposals in its country.

B. Each Party identifies candidate collaborative researcher-initiated proposals, and stimulates the development of integrated project proposals. Eligible organizations include laboratories, universities, and industry from each country. Organizations from both countries form research teams to develop integrated project proposals. For each project, a principal investigator will serve as the lead researcher responsible for matters regarding his/her own project.

C. With the Parties' agreement, additional organizations, such as laboratories, universities, and industry from third countries may be invited to join a project, at their own expense and subject to such terms and conditions as the Parties may specify.

D. Sensitive Nuclear Technology, as defined by 10 CFR 810, is specifically excluded from bilateral research under this Annex.

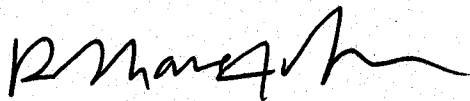
IV. Responsibilities

- A. Each Party shall designate a Technical Coordinator for each project. Each Technical Coordinator will be responsible for his/her project activities funded by his/her Principal including, but not limited to, evaluating technical issues, promoting timely completion of assigned tasks and reporting to his/her Principal on the project's progress and status.
- B. The Parties shall (unless otherwise agreed) convene in annual technical information exchange meetings, held in both countries on an alternating basis and timed to coincide with the annual meetings of the JCC where practicable, for the purpose of reviewing progress in the agreed collaborative projects and determining their continuation. Regardless of whether any annual technical information exchange meeting coincides with the annual meeting of the JCC, the Technical Coordinators for each project will submit a joint report detailing progress made under this Annex to each annual meeting of the JCC.
- C. Each Party will strive to achieve the same level of annual funding for its respective participants on a program basis. Each Party funds its own participants. Joint projects are typically for a duration of three years and are funded annually. JCC reviews the amount of funding by each Party.

V. Duration and Termination

- A. This Annex shall enter into force upon the date of the latter signature, and shall remain in force so long as the Implementing Arrangement remains in force. This Annex may be amended by written agreement of the Parties.
- B. In the event of termination of the Implementing Arrangement or of this Annex, activities undertaken under this Annex at the time of termination of the Implementing Arrangement or the Annex may continue until their completion. However, no new activities may be initiated unless the Parties enter into a new Implementing Arrangement.
- C. The Annex may be terminated at any time at the discretion of either Party, on six months' advance notification in writing to the other Party.

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



Date: June 10, 2004

Place: Washington, DC

FOR THE AGENCY OF NATURAL
RESOURCES AND ENERGY OF JAPAN:



Date: June 4, 2004

Place: Tokyo