IMPLEMENTATION AGREEMENT 3

BETWEEN

THE DEPARTMENT OF ENERGY OF THE UNITED STATES OF AMERICA
AND
THE MINISTRY OF NATIONAL INFRASTRUCTURE
OF THE STATE OF ISRAEL
FOR

COOPERATION IN THE FIELD OF HIGH TEMPERATURE SUPERCONDUCTIVITY

WHEREAS, the Department of Energy of the United States of America (hereinafter referred to as "DOE") and the Ministry of National Infrastructure of the State of Israel (hereinafter referred to as "MONI") entered into an Agreement for Cooperation in the Field of Energy on February 22, 2000 (hereinafter referred to as the "Agreement");

WHEREAS, the DOE and MONI (hereinafter referred to as the "Parties") recognize the importance of exchanging information, experience and points of view regarding the research, development and demonstration of high temperature superconductivity;

The Parties enter into this Implementation Agreement in accordance with Article V of the Agreement.

ARTICLE I
SCOPE

The Parties agree to cooperate in a manner which will facilitate exchange of information and joint activities in the field of High-Temperature Superconductivity. The fields of cooperation may include, but are not be limited to:

1. Research and development of materials and processes for production of High Temperature Superconductors (HTS).

2. Research, development and demonstration of devices made of HTS, and intended for use in electrical grids, such as fault current limiters, transformers and superconducting magnetic energy storage systems.

3. Testing of a flywheel system, developed in the United States and containing HTS bearings, at an Israeli test-site, connected to various loads, inter-alia, a desalination system.

4. Adapting and modifying the flywheel system and the test-site as necessary in order to ensure their compatibility.

5. Integration of renewable energy power sources, such as photovoltaic modules and a wind turbine, in the test-site.

The Parties recognize that they may choose to implement part, or all, of this bilateral cooperation as part of a multilateral cooperation in superconductivity organized under the auspices of the International Energy Agency Implementing Agreement for a Cooperative Programme for Assessing the Impacts of High-Temperature Superconductivity on the Electric Power Sector, whose Operating Agent is the Argonne National Laboratory.

ARTICLE II
MANAGEMENT

The DOE Deputy Assistant Secretary for Power Technologies shall be responsible for the programmatic aspects of this Implementation Agreement for DOE. MONI Chief Scientist shall be responsible for the programmatic aspects of this Implementation Agreement for MONI.

Each Party shall designate one Program Coordinator to supervise activities under this Implementation Agreement. These Program Coordinators shall provide technical management and coordination of the activities under the Implementation Agreement.

ARTICLE III
EXPENSES

Subject to the availability of appropriated funds, each Party shall bear the costs of its activities under this Implementation Agreement unless otherwise agreed to in writing.

ARTICLE IV
GENERAL PROVISIONS

Cooperation under this Implementation Agreement shall be subject to and governed by the terms and conditions of the Agreement.

ARTICLE V
TERM

This Implementation Agreement shall become effective upon signature by both Parties and shall

terminate five years thereafter, or upon expiration of the Agreement, whichever comes first . The Implementation Agreement may be amended or extended by written agreement of the Parties, so long as the Agreement remains in force.

Done at Washington,
this 22 day of AUGUST, 2001

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

David K. Garman
Assistant Secretary for
Energy Efficiency and
Renewable Energy

Done at Jerusalem, this 23 day
of OCTOBER, 2001

FOR THE MINISTRY OF NATIONAL INFRASTRUCTURE OF THE STATE OF ISRAEL:

A. Einav

Amnon Einav
Chief Scientist