

**ARRANGEMENT  
BETWEEN  
THE GOVERNMENT OF THE UNITED STATES OF AMERICA  
AND  
THE GOVERNMENT OF AUSTRALIA  
CONCERNING CRUDE OIL STOCKS STORED IN THE  
UNITED STATES STRATEGIC PETROLEUM RESERVE**

The Government of the United States of America and the Government of Australia ("the Participants"):

RECOGNIZING that, as members of the International Energy Agency (IEA) and parties to the Agreement on an International Energy Program (IEP Agreement), done at Paris, November 18, 1974, as amended, the Participants are obliged to maintain petroleum reserves equal to ninety (90) days of net petroleum imports and to comply with their obligations under the Agreement on an International Energy Program following any activation of emergency measures by the IEA Governing Board to respond to a supply disruption;

RECOGNIZING that, the Participants are engaged in discussions regarding the terms and conditions of a lease agreement to store crude oil owned by the Government of Australia in the United States Strategic Petroleum Reserve.

RECOGNIZING that, in order for crude oil stocks stored in the United States Strategic Petroleum Reserve and owned by the Government of Australia or its representative to be credited toward the emergency reserve commitment of Australia under the IEP Agreement, an arrangement must be in place between the Participants that the Government of the United States intends to not impede the delivery of these stocks to the Government of Australia, in accordance with Article 3 of the Annex to the IEP Agreement;

HAVE REACHED the following understandings:

## **Paragraph 1**

### **Definitions**

For the purposes of the Arrangement:

1. "Competent Authority" means:
  - a) for the United States: the United States Department of Energy;
  - b) for Australia: the Australian Government Department of Environment and Energy, or its successor;
2. "impediment" includes any legislative, physical or other measures with the effect of restricting or preventing the delivery of the crude oil stocks held in the United States pursuant to crude oil storage lease agreements consistent with this Arrangement;
3. "delivery" includes the purchase, transfer of title, or movement of crude oil stocks or the exit of crude oil stocks from the territorial waters or borders of the United States;
4. "crude oil storage lease agreement" means any contract between the Government of the United States or its Competent Authority and the Government of Australia or its Competent Authority or representative regarding storage in the United States Strategic Petroleum Reserve of crude oil stocks owned by the Government of Australia or its representative, as well as related distribution services.

## **Paragraph 2**

### **Objectives**

This Arrangement is intended to enable crude oil stocks owned by the Government of Australia or its representative and stored United States Strategic Petroleum Reserve to be counted towards the Government of Australia's obligation under Article 2 of the IEP Agreement to maintain emergency reserves sufficient to sustain consumption for at least ninety (90) days with no net oil imports.

**Paragraph 3**  
**Scope**

This Arrangement is intended to apply to all crude oil stocks related to the Government of Australia's stockholding requirements that are owned by the Government of Australia or its representative and stored United States Strategic Petroleum Reserve under a crude oil storage lease agreement.

**Paragraph 4**  
**Competent Authorities**

This Arrangement is intended to be administered by the Competent Authorities of each Participant.

**Paragraph 5**  
**No Impediment to Delivery of Stocks**

The Government of the United States intends to impose no impediment to the delivery of part or all of the crude oil stocks covered by this Arrangement to the Government of Australia or its representative when Australia's obligations under the IEP Agreement to implement emergency measures to deal with a reduction or threatened reduction of petroleum supplies have been activated.

Nothing in this Arrangement is intended to be inconsistent with United States law.

**Paragraph 6**  
**Consultation**

The Participants intend to consult each other as soon as reasonably practicable:

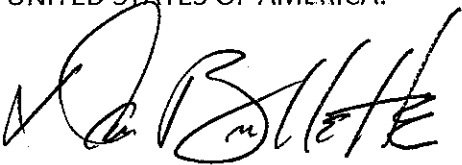
- a) when either of the Participants anticipate a supply emergency to which this Arrangement applies; or
- b) upon a request of either Participant for consultation to resolve any difficulty in the interpretation or application of this Arrangement.

**Paragraph 7**  
**Commencement, Modifications and Discontinuation**

1. This Arrangement is intended to commence upon signature by the Participants.
2. This Arrangement may be modified, in writing, by the Participants.
3. This Arrangement may be discontinued by either Participant at any time. A Participant is expected to give 12 months' notice in writing of its intent to discontinue this Arrangement.
4. Neither of the Participants intends to discontinue this Arrangement when Australia's obligations under the IEP Agreement to implement emergency measures to deal with a supply disruption are activated or while a crude oil storage lease agreement remains in effect.
5. Nothing in this Arrangement is intended to give rise to rights or obligations under international law.

Signed at Washington, in duplicate in the English language, this 9<sup>th</sup> day of March 2020.

FOR THE GOVERNMENT OF THE  
UNITED STATES OF AMERICA:



FOR THE GOVERNMENT OF AUSTRALIA:

