

AGREEMENT BETWEEN THE GOVERNMENT OF THE UNITED STATES OF AMERICA AND THE GOVERNMENT OF AUSTRALIA CONCERNING PEACEFUL USES OF NUCLEAR ENERGY

THE GOVERNMENT OF THE UNITED STATES OF AMERICA AND THE GOVERNMENT OF AUSTRALIA,

CONSIDERING their close cooperation in the development, use and control of peaceful uses of nuclear energy pursuant to the *Agreement for Cooperation between the Government of the United States of America and the Government of the Commonwealth of Australia concerning the Civil Uses of Atomic Energy*, signed on 22 June 1956, as amended (hereinafter referred to as "the 1956 Agreement"), and the *Agreement between the United States of America and Australia concerning Peaceful Uses of Nuclear Energy*, signed on 5 July 1979 (hereinafter referred to as "the 1979 Agreement");

REAFFIRMING their commitment to ensuring that the international development and use of nuclear energy for peaceful purposes are carried out under arrangements which will, to the maximum possible extent, further the objectives of the *Treaty on the Non-Proliferation of Nuclear Weapons* done on 1 July 1968 and entering into force on 5 March 1970 (hereinafter referred to as "the Treaty");

MINDFUL that both the United States and Australia are Parties to the Treaty;

RECOGNIZING that Australia, a non-nuclear-weapon State, has, under the Treaty, undertaken not to manufacture or otherwise acquire nuclear weapons or other nuclear explosive devices, and that it has entered into the *Agreement between Australia and the International Atomic Energy Agency for the Application of Safeguards in connection with the Treaty on the Non-Proliferation of Nuclear Weapons*, signed on 10 July 1974, and the *Protocol Additional to the Agreement between Australia and the International Atomic Energy Agency for the Application of Safeguards in connection with the Treaty on the Non-Proliferation of Nuclear Weapons of 1 July 1968*, signed on 23 September 1997 (hereinafter collectively referred to as "the Australia-IAEA Safeguards Agreement");

RECOGNIZING that the United States, a nuclear-weapon State, entered into the *Agreement between the United States of America and the International Atomic Energy Agency for the Application of Safeguards in the United States of America*, signed on 18 November 1977, and the *Protocol Additional to the Agreement between the United States of America and the International Atomic Energy Agency for the Application of Safeguards in the United States of America*, signed on 12 June 1998, hereinafter collectively referred to as "the United States-IAEA Safeguards Agreement";

AFFIRMING their support for the objectives of the *Statute of the International Atomic Energy Agency* done on 26 October 1956, and their desire to promote universal adherence to the Treaty;

RECOGNIZING the ongoing mutual obligations of the Parties contained in the *Exchanges of Notes between the Parties of 2 August 1985* (Embassy of Australia's Notes number 336, 337, 338, 339, 340 and 341 of 2 August 1985, and Department of State Note of 2 August 1985 in response, hereinafter referred to as "the 1985 Exchanges of Notes") and the *Exchange of Notes between the Parties of 13 December 1989* (Embassy of Australia's Note number 366 of

13 December 1989, and Department of State Note of 13 December 1989 in response, hereinafter referred to as "the 1989 Exchange of Notes"); and

DESIRING to continue their close cooperation in the development, use and control of peaceful uses of nuclear energy under the 1979 Agreement;

HAVE AGREED as follows:

Article 1

Scope of cooperation

1. The United States and Australia shall cooperate, by the transfer of information, material, equipment and components and by assignment of experts, in the use of nuclear energy for peaceful purposes in accordance with the provisions of this Agreement and their applicable treaties, national laws, regulations and license requirements.
2. Cooperation under this Agreement may be undertaken directly between the Parties or through authorized persons under their jurisdiction. Such cooperation shall be subject to this Agreement and to such additional terms and conditions as may be determined by the Parties.
3. Cooperation under this Agreement shall require the application of safeguards by the International Atomic Energy Agency (hereinafter referred to as "the Agency"):
 - (a) with respect to all nuclear activities within the territory of Australia, under its jurisdiction or carried out under its control anywhere, in accordance with the provisions of the *Australia-IAEA Safeguards Agreement*;
 - (b) within the territory of the United States, in accordance with the provisions of the *United States-IAEA Safeguards Agreement*.

Article 2

Definitions

For the purposes of this Agreement:

- (a) "byproduct material" means any radioactive material (except special nuclear material) yielded in or made radioactive by exposure to the radiation incident to the process of producing or utilizing special nuclear material;
- (b) "component" means a component part of equipment or other item, as mutually determined by the Parties;
- (c) "equipment" means any production or utilization facility (including uranium enrichment and nuclear fuel reprocessing facilities), or any facility for the production of heavy water or the fabrication of nuclear fuel containing plutonium, or any other item as mutually determined by the Parties;
- (d) "high enriched uranium" means uranium enriched to twenty percent or greater in the isotope 235;

(e) "intellectual property" shall have the meaning set out in Article 2 of the *Convention Establishing the World Intellectual Property Organization*, done at Stockholm on 14 July 1967, as amended on 28 September 1979, and may include other subject matter as mutually determined by the Parties;

(f) "low enriched uranium" means uranium enriched to less than twenty percent in the isotope 235;

(g) "major critical component" means any part or group of parts essential to the operation of a sensitive nuclear facility;

(h) "material" means source material, special nuclear material or byproduct material, radioisotopes other than byproduct material, moderator material, or any other such substance as mutually determined by the Parties;

(i) "moderator material" means any heavy water, or graphite or beryllium of purity suitable for use in a reactor to slow down high velocity neutrons and increase the likelihood of further fission, or any other such material as mutually determined by the Parties;

(j) "parties" means the Government of the United States of America and the Government of Australia;

(k) "peaceful purposes" includes the use of information, material, equipment and components in such fields as research, energy and power generation, medicine, agriculture and industry but does not include use in, research on or development of any nuclear explosive device, or any military purpose;

(l) "person" means any individual or any entity subject to the jurisdiction of either Party but does not include the Parties to this Agreement;

(m) "production facility" means any nuclear reactor designed or used primarily for the formation of plutonium or uranium 233, any facility designed or used for the separation of the isotopes of uranium or plutonium, any facility designed or used for the processing of irradiated materials containing special nuclear material or any other item as mutually determined by the Parties;

(n) "reactor" means any apparatus, other than a nuclear weapon or other nuclear explosive device, in which a self-sustaining fission chain reaction is maintained by utilising uranium, plutonium or thorium, or any combination thereof, or any other apparatus as mutually determined by the Parties;

(o) "restricted data" means all data concerning:

- (i) design, manufacture or utilization of nuclear weapons;
- (ii) the production of special nuclear material; or
- (iii) the use of special nuclear material in the production of energy;

but shall not include data of a Party which it has declassified or removed from the category of restricted data;

(p) "sensitive nuclear facility" means any facility designed or used primarily for uranium enrichment, reprocessing of nuclear fuel, heavy water production or fabrication of nuclear fuel containing plutonium;

(q) "sensitive nuclear technology" means any information (including information incorporated in equipment or an important component) which is not in the public domain and which is important to the design, construction, fabrication, operation or maintenance of any sensitive nuclear facility, or such other information as mutually determined by the Parties;

(r) "source material" means;

- (i) uranium, thorium, or any other material as mutually determined by the Parties; or
- (ii) ores containing one or more of the foregoing materials, in such concentration as mutually determined by the Parties from time to time;

(s) "special nuclear material" means:

- (i) plutonium, uranium 233, or uranium enriched in the isotope 235; or
- (ii) any other material as mutually determined by the Parties;

(t) "uranium enriched in the isotope 235 or 233" means uranium containing the isotopes 235 or 233, or both, in an amount such that the abundance ratio of the sum of these isotopes to the isotope 238 is greater than the ratio of the isotope 235 to the isotope 238 occurring in nature;

(u) "utilization facility" means any reactor other than one designed or used primarily for the formation of plutonium or uranium 233.

Article 3

Transfer of information

1. Information concerning the use of nuclear energy for peaceful purposes may be transferred. The transfer of information may be accomplished through various means, including reports, data banks, computer programs, conferences, visits and assignments of experts and staff to facilities. Fields which may be covered include, but shall not be limited to, the following:

- (a) development, design, construction, operation, maintenance and use of reactors and reactor experiments;
- (b) the production, preparation and use of materials in physical and biological research, medicine, agriculture and industry;
- (c) the nuclear fuel cycle, including mining, mineral exploration, ore processing, processing and use of special nuclear material and byproduct material and management of waste material, and studies of the ways to meet future worldwide civil nuclear needs, including multilateral approaches to guaranteeing nuclear fuel supply;
- (d) safeguards and physical security of materials and equipment;
- (e) health, safety and environmental considerations;
- (f) assessing national energy needs and the role that nuclear energy may play therein; and
- (g) nuclear forensics.

2. This Agreement does not require the transfer of any information which the Parties are not permitted to transfer.

3. Restricted data shall not be transferred under this Agreement.
4. Sensitive nuclear technology shall not be transferred under this Agreement unless specifically provided for by an amendment to this Agreement or by a separate agreement.

Article 4

Transfer of material, equipment and components

1. Material, equipment and components may be transferred pursuant to this Agreement for applications consistent with this Agreement. However, such transfers shall not include sensitive nuclear facilities or major critical components unless specifically provided for by an amendment to this Agreement or by a separate agreement.
2. Source material and low enriched uranium may be transferred for use as fuel in reactors and reactor experiments, for enrichment, conversion or fabrication, and for production of radioisotopes.
3. Special nuclear material other than low enriched uranium and material covered by paragraph 8 may, if the Parties agree, be transferred for specified applications where technically and economically justified or where justified for the development and demonstration of reactor fuel cycles to meet energy security and non-proliferation objectives.
4. The quantity of nuclear material transferred under this Agreement shall not at any time be in excess of the quantity which the Parties mutually determine is necessary for any of the following purposes: the loading of reactors or use in reactor experiments; the efficient and continuous operation of such reactors or conduct of such reactor experiments; the production of radioisotopes; and the accomplishment of such other purposes as may be mutually determined by the Parties.
5. If high enriched uranium which is in excess of the quantity required for the purposes described in paragraph 4 exists in Australia, the United States shall have the right to recover any high enriched uranium transferred pursuant to this Agreement (including irradiated high enriched uranium) which contributes to that excess. Should this right be exercised, the Parties shall make mutually satisfactory commercial arrangements therefore. Recovery of such high enriched uranium shall not be contingent on prior agreement to such arrangements.
6. The Parties shall consult in advance of the exercise of the right referred to in paragraph 5 on the methods of implementation of any such recovery.
7. Any high enriched uranium transferred pursuant to this Agreement shall not be at a level of enrichment in the isotope 235 in excess of levels which the Parties mutually determine are necessary for the purposes described in paragraph 4.
8. Small quantities of material, including special nuclear material, may be transferred for use as samples, detectors, targets, radiation sources and for such other purposes as mutually determined by the Parties. Transfers pursuant to this paragraph shall not be subject to the quantity limitations in paragraph 4.

Article 5

Storage and retransfers

1. Plutonium or uranium 233 (except as contained in irradiated fuel elements) or high enriched uranium transferred pursuant to this Agreement or used in or produced through the use of any material or equipment so transferred, and over which a Party has jurisdiction, shall only be stored in a facility which has been mutually determined in advance by the Parties.
2. Material, equipment or components transferred pursuant to this Agreement and special nuclear material produced through the use of such material or equipment, over which the recipient Party has jurisdiction, shall not be retransferred:
 - (a) to any unauthorized persons within its jurisdiction; or
 - (b) beyond its territorial jurisdiction unless mutually determined by the Parties.

Article 6

Reprocessing and enrichment

1. Material transferred pursuant to this Agreement to, and which is under the jurisdiction of, a Party and material used in or produced through the use of any material or equipment so transferred, and which is under the jurisdiction of a Party, shall not be reprocessed unless mutually determined by the Parties.
2. Uranium transferred pursuant to this Agreement to, and which is under the jurisdiction of, a Party shall not be enriched after transfer to twenty percent or greater in the isotope 235 unless mutually determined by the Parties.
3. Plutonium, uranium 233, high enriched uranium or irradiated source or special nuclear material transferred pursuant to this Agreement or produced through the use of any material or equipment so transferred, and which is under the jurisdiction of a Party, shall not, unless mutually determined by the Parties, be altered in form or content, except by irradiation, further irradiation, or post-irradiation examination.

Article 7

Physical security

1. Each Party shall maintain adequate physical security with respect to all material and equipment which is under its jurisdiction and is subject to the relevant Agreement specified in paragraph 3 of Article 1.
2. In addition to its obligations under the *Convention on the Physical Protection of Nuclear Material* done at Vienna and New York on 3 March 1980, including any amendments that are in force for each Party, each Party shall apply measures of physical protection in accordance with its national legislation which meet levels not less than the recommendations of Agency document INFCIRC/225/Rev.4 (corrected) or in any revision or replacement of that document.

Any revision or replacement of INFCIRC/225/Rev.4 (corrected) shall have effect under this Agreement only when the Parties have informed each other in writing that they accept such revision or replacement.

3. The adequacy of physical security measures maintained pursuant to this Article with respect to material and equipment transferred pursuant to this Agreement and with respect to any special nuclear material used in or produced through the use of any material or equipment so transferred, shall be subject to review and consultation by the Parties periodically and whenever either Party is of the view that revised measures may be required to maintain adequate physical security.

4. Each Party shall identify those agencies or authorities responsible for ensuring that levels of physical security are adequately met and having responsibility for coordinating response and recovery operations in the event of unauthorized use or handling of material subject to this Article. Each Party shall also designate points of contact within its national authorities to cooperate on matters of out-of-country transportation and other matters of mutual concern.

5. The provisions of this Article shall be implemented in such a manner as to avoid hampering, or delay or undue interference in, the Parties' respective nuclear activities and so as to be consistent with prudent management practices required for the economic and safe conduct of the Parties' respective nuclear programs.

Article 8

No explosive or military application

1. Material, equipment or components transferred pursuant to this Agreement to, and which are under the jurisdiction of, a Party and material used in or produced through the use of any such material, equipment or components so transferred, which are under the jurisdiction of a Party, shall not be used for any nuclear explosive device, for research on or development of any nuclear explosive device, including but not limited to the production of tritium for use in such a device, or for any military purpose.

2. For the purposes of this Agreement, "military purpose" shall include but is not limited to the following: military nuclear propulsion; munitions, including depleted uranium munitions, and other direct military non-nuclear applications as mutually determined by the Parties; but shall not include the supply of electricity to a military base from any power network, the production of radioisotopes to be used for medical purposes in military hospitals, and such other similar purposes as may be mutually determined by the Parties.

Article 9

Safeguards

1. Material transferred to Australia pursuant to this Agreement and any source or special nuclear material used in or produced through the use of any material, equipment or components so transferred shall be subject to safeguards in accordance with the provisions of the Agreement referred to in paragraph 3(a) of Article 1.

2. Material transferred to the United States pursuant to this Agreement and any source or special nuclear material used in or produced through the use of any material, equipment or components so transferred shall be subject to safeguards in accordance with the provisions of the Agreement referred to in paragraph 3(b) of Article 1.

3. If the United States or Australia becomes aware of circumstances which demonstrate that the Agency for any reason is not or will not be applying safeguards in accordance with the appropriate Agreement referred to in paragraph 1 or 2 to ensure effective continuity of safeguards, the Parties shall immediately enter into arrangements which conform with Agency safeguards principles and procedures and to the coverage required pursuant to those paragraphs, and which provide assurance equivalent to that intended to be secured by the system they replace.

4. Each Party shall establish and maintain a system of accounting for and control of all material transferred pursuant to this Agreement and any material used in or produced through the use of any material, equipment or components so transferred. The administrative arrangements referred to in paragraph 2 of Article 13 shall include the details of such a system of accounting and control, the procedures of which shall be comparable to those set forth in Agency document INFCIRC/153 (corrected) or in any revision or replacement of that document. Any revision or replacement of INFCIRC/153 (corrected) shall have effect with respect to the procedures referred to in this paragraph only when the Parties have informed each other in writing that they accept such revision or replacement.

5. Upon the request of either Party, the other Party shall report or permit the Agency to report to the requesting Party on the status of all inventories of any materials subject to paragraph 1 or 2, as applicable.

6. The Parties shall consult and assist each other in, and shall facilitate, the application of safeguards required by this Agreement.

Article 10

Overlapping controls

1. Neither Party shall exercise any rights it has to approve the retransfer or enrichment to twenty percent or greater in the isotope uranium 235 by another nation or group of nations of material transferred pursuant to this Agreement or otherwise identified as being subject to similar rights of approval by the other Party, and shall not exercise any rights it has to approve the retransfer or reprocessing of irradiated fuel elements containing special nuclear material produced through the use of such materials, unless otherwise mutually determined by the Parties. This obligation applies only where the Party whose approval has been sought has been notified by the nation or group of nations requesting approval that the other Party has such rights of approval or their equivalent. In the event no such notification is received, the Parties shall consult prior to granting approval.

2. This Article applies only to material transferred after 7 August 1978, except as otherwise mutually determined by the Parties.

Article 11

Cessation of cooperation

1. If either Party at any time following entry into force of this Agreement does not comply with the provisions of Articles 5, 6, 7, 8 or 9 or materially breaches, terminates or abrogates a safeguards agreement with the Agency, the other Party shall have the rights:
 - (a) to cease further cooperation under this Agreement including suspension or cancellation of further transfers of nuclear material; and
 - (b) to require the return of any material, equipment or components transferred under this Agreement and any special nuclear material produced through the use thereof.
2. If Australia, at any time following entry into force of this Agreement, detonates a nuclear explosive device, the United States shall have the same rights as specified in subparagraphs (a) and (b) of paragraph 1.
3. If either Party exercises its rights under this Article to require the return of any material, equipment or components, it shall, after removal, reimburse the other Party for the fair market value of such material, equipment or components.

Article 12

Ongoing cooperation

1. The *1979 Agreement*, including paragraph 2 of Article 14 thereof, shall terminate on the date this Agreement enters into force.
2. Cooperation under the *1979 Agreement* shall continue in accordance with the provisions of this Agreement. All the provisions of this Agreement shall apply to material, equipment and components which were subject to the *1979 Agreement* immediately prior to its termination.
3. The mutual obligations of the Parties contained in the *1985 Exchanges of Notes* and the *1989 Exchange of Notes* shall continue *mutatis mutandis* under the provisions of this Agreement, unless the Parties agree otherwise.

Article 13

Consultations, arrangements and confidentiality

1. The Parties shall consult at the request of either Party regarding the implementation of this Agreement and the development of further cooperation in the field of peaceful uses of nuclear energy.
2. The appropriate governmental authorities of both Parties shall establish administrative arrangements to ensure the effective implementation of this Agreement. Such arrangements may be changed by the mutual determination of the appropriate governmental authorities of both Parties.

3. Agreed classification, patent and security policies and practices shall continue to be maintained with respect to any classified information (including any inventions or discoveries employing such information), material and equipment that may have been transferred under the *1979 Agreement* or the *1956 Agreement*. In the case of classified information, the foregoing requirement to continue to maintain classification and security policies and practices shall cease to apply if the supplier Party has declassified the information, made it public or authorized its release. Any classified information transferred in connection with cooperation under this Agreement shall be treated in accordance with the Agreement between the Government of the United States of America and the Government of Australia concerning Security Measures for the Protection of Classified Information, signed on 25 June 2002, unless otherwise agreed by the Parties.

4. The Parties agree that any information transferred or otherwise received as a result of the operation of this Agreement which at the time of transfer or receipt is designated by the supplier Party to be proprietary or confidential shall be accorded protection commensurate with the importance assigned to it by the supplier Party as allowed by law within the jurisdiction of the recipient Party.

Article 14

Intellectual Property

Transfer of information pursuant to Article 3 of this Agreement may be carried out by virtue of a written specific instrument between the Parties, the authorities designated by the Parties or institutions nominated by the designated authorities. These instruments shall adopt the form decided by the Parties in accordance with their legal requirements, and shall include provisions dealing with intellectual property rights protection where such rights exist or arise.

Article 15

Settlement of disputes

Any dispute between the Parties concerning the interpretation or implementation of the provisions of this Agreement shall be settled by consultation or negotiation.

Article 16

Entry into force and duration

1. This Agreement shall enter into force on the date upon which the Parties exchange diplomatic notes informing each other that they have complied with all applicable requirements for its entry into force, and shall remain in force for an initial period of thirty years. This Agreement shall continue in force thereafter for additional periods of five years each. Either Party may terminate this Agreement at the end of the initial 30 year period or at the conclusion of any additional five year period by giving six months advance written notice to the other Party.

AGREED MINUTE

This revised *Agreement between the United States of America and Australia concerning Peaceful Uses of Nuclear Energy* ("the Agreement") facilitates the ongoing cooperation of the Parties in the development, use and control of peaceful uses of nuclear energy under the *Agreement between the United States of America and Australia concerning Peaceful Uses of Nuclear Energy*, signed on 5 July 1979. During the negotiation of the Agreement, the following understandings, which shall be an integral part of the Agreement, were reached.

Paragraph 1

Return of material, equipment or components

The exercise of the rights of a Party under paragraph 5 of Article 4 of the Agreement and under Article 11 of the Agreement is not in any way qualified by the provisions of Articles 5 or 6 of the Agreement relating to prior determination between the Parties on storage, retransfer, high enrichment and reprocessing.

Paragraph 2

Coverage of the Agreement

(a) Unless specifically agreed to the contrary, all source material, special nuclear material and equipment hereafter transferred from the territory of one Party to the territory of the other Party for peaceful purposes, whether directly or through a third country, shall be regarded as having been transferred pursuant to the Agreement. The appropriate governmental authority of the supplier Party shall, before shipment, notify the appropriate governmental authority of the recipient Party of any such transfer.

(b) The Parties will mutually determine which material other than source or special nuclear material and which components, transferred from the territory of one Party to the territory of the other Party for peaceful nuclear purposes, whether directly or through a third country, shall be regarded as having been transferred pursuant to the Agreement.

(c) Certain other items that are not material, equipment or components and certain quantities of materials that lack significance for nuclear explosive purposes have been and will continue to be transferred in accordance with the applicable laws of the Parties, both between the Parties and through persons under their jurisdiction. As appropriate and as the Parties may mutually determine, these transfers may be deemed to be authorized under the Agreement.

(d) The Parties have been engaging and will continue to engage actively in international cooperation on international environmental considerations relevant to peaceful nuclear activities.

(e) For the purposes of implementing the rights specified in Articles 5, 6 and 7 with respect to special nuclear material produced through the use of material transferred and not used in or produced through the use of equipment transferred pursuant to the Agreement, such rights shall, in practice, be applied to that proportion of special nuclear material produced which represents the ratio of transferred material used in the production of the special nuclear material to the total amount of material so used, and similarly for subsequent generations.

2. Notwithstanding the suspension, termination or expiration of this Agreement or any cooperation hereunder for any reason, the guarantees in Articles 5, 6, 7, 8 and 9 and the provisions of Article 11 shall continue in effect so long as any material, equipment or components subject to these articles remain in the territory of the Party concerned or under its jurisdiction or control anywhere, or until such time as the Parties mutually determine that such material, equipment or components are no longer usable for any nuclear activity relevant from the point of view of safeguards.

IN WITNESS WHEREOF, the undersigned, being duly authorized by their respective Governments, have signed this Agreement.

DONE at New York, on May 4, 2010, in two originals in the English language.

**FOR THE GOVERNMENT OF THE
UNITED STATES OF AMERICA:**

A handwritten signature in cursive script, appearing to read "Ellen Tauscher".

**FOR THE GOVERNMENT OF
AUSTRALIA:**

A handwritten signature in cursive script, appearing to be a stylized name.