

Annex IX

~~SECRET~~
TO
~~THE PROTOCOL~~
FOR COOPERATION IN THE FIELD OF FOSSIL ENERGY RESEARCH AND DEVELOPMENT
BETWEEN
THE DEPARTMENT OF ENERGY OF THE UNITED STATES OF AMERICA
AND
THE MINISTRY OF COAL INDUSTRY
OF THE PEOPLE'S REPUBLIC OF CHINA

FOR COOPERATION
BETWEEN
THE UNITED STATES ~~DEPARTMENT OF ENERGY~~
AND
THE STATE SCIENCE AND TECHNOLOGY COMMISSION
OF THE PEOPLE'S REPUBLIC OF CHINA

IN THE AREA OF
CLEAN COAL TECHNOLOGY UTILIZATION

WHEREAS, the United States Department of Energy (USDOE) and the Ministry of Coal Industry (MOCI) of the People's Republic of China (PRC) signed a Protocol in the Field of Fossil Energy Research and Development on April 16, 1985 ("the Protocol") under the Agreement between the Government of the United States of America and the Government of the People's Republic of China on Cooperation in Science and Technology ("the Umbrella Agreement") signed at Washington, DC, on January 31, 1979, as amended and extended;

WHEREAS, coal presently is extremely important in the structure of energy consumption in both Parties, and will continue to be a vital energy source for the Parties for the foreseeable future;

WHEREAS, coal production in the PRC represents the PRC's largest energy resource and accounts for approximately one-fourth of the total coal production in the world; and

WHEREAS, the USDOE has made substantial progress in implementing its Clean Coal Technology Development Program, and the State Science and Technology Commission (SSTC) of the PRC is beginning a Program of Clean Coal Technology Development at the national level in the PRC.

Now, therefore, the USDOE and the SSTC (hereinafter "the Parties"), pursuant to Articles 4 and 5 of the Protocol, agree to undertake a program of cooperation under the Protocol in the development of economically and environmentally efficient coal utilization alternatives, as follows:

ARTICLE I - OBJECTIVE

The objective of this Annex is to promote technological and economic cooperation between the Parties in the field of clean coal technology utilization, in order to enhance the Parties' capabilities to make positive contributions toward improving process and equipment efficiency, reduce atmospheric pollution on a global scale, advance China's Clean Coal Technologies Development Program, and promote economic and trade cooperation beneficial to both Parties.

ARTICLE II - AREAS OF COOPERATION

In addition to continuing cooperation in the areas of clean coal technology utilization listed in Article 2 of the Protocol, the Parties agree to cooperate in the following additional areas:

1. The Parties will exchange technical information and experiences and arrange collaborative visits concerning the design and implementation of a clean coal technology development program, including operational procedures, management and oversight, policy analysis, technology transfer, and commercialization.
2. The Parties will undertake cooperative activities with respect to one or more projects in their respective national clean coal technology development programs. Such cooperative activities may include information and data exchange, joint cooperative research and development, technological demonstration, commercialization and market assessments, and training and seminars.
3. The Parties will prepare a new agreement or a separate Annex to the Protocol for the planning, design, finance, construction and operation of an Integrated Gasification Combined Cycle (IGCC) Clean Coal Demonstration Plant. The Parties intend that the Demonstration Plant will be constructed in the PRC, with a portion funded by the United States, and that the Demonstration Plant will embody current technologies of both Parties.

ARTICLE III - MANAGEMENT

1. Project Managers

Each Party shall designate a Project Manager for this Annex. The Project Managers shall jointly plan the technical approach for accomplishing the objectives, be responsible for the program and schedule coordination, and co-chair joint meetings.

2. Advisors

Representatives from organizations within each Party may be invited to attend joint meetings and serve as advisors to help plan and evaluate the progress of cooperative activities under this Annex. Other organizations may be invited to participate if approved jointly by the Project Managers.

3. Joint Meetings

The Project Managers will hold annual meetings, alternating in the PRC and the United States, to report and assess the progress of activities, and plan for continuation of cooperation under this Annex. The first meeting will be held in the PRC. The host Party will bear the costs for arrangements associated with the meeting. Representatives from each Party attending the annual meetings will be responsible for their own travel and lodging expenses. If the Project Managers agree, meetings may be held more or less frequently than once every twelve (12) months.

4. Reports

The Parties shall jointly prepare an annual report in English describing the work performed and detailing results achieved under this Annex. Each Party shall have the right to disseminate the annual report without prior notification to the other Party.

ARTICLE IV - FINANCE

1. All cooperative activities under this Annex shall be subject to the availability of funds and personnel, and to the laws and regulations of the respective countries.
2. Unless otherwise mutually agreed in writing, each Party shall bear all costs of its own activities under this Annex.

ARTICLE V - INTELLECTUAL PROPERTY RIGHTS

The provisions for the protection and allocation of intellectual property rights set forth in Annex I of the Umbrella Agreement, which supersedes Annex I of the Protocol, shall apply to all activities conducted pursuant to this Annex.

ARTICLE VI - DISCLAIMER

The application or use of any information exchanged under this Annex shall be the responsibility of the receiving Party, and the sending Party does not warrant the suitability of such information for any particular use or application.

ARTICLE VII - ENTRY INTO FORCE AND TERMINATION

1. This Annex shall enter into force upon signature by the Parties and remain in force for five (5) years or until termination of the Protocol, whichever occurs first. This Annex may be amended or extended by mutual written agreement of the Parties.
2. At the discretion of either Party, this Annex may be terminated upon six (6) months advance notice in writing to the other Party.

Done at Washington, this 12th day of April, 1994, in duplicate, in the English and Chinese languages, each text being equally authentic.

Jack A. Siegel

FOR THE DEPARTMENT OF ENERGY OF THE UNITED STATES OF AMERICA

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FOR THE STATE SCIENCE AND TECHNOLOGY COMMISSION OF THE PEOPLE'S REPUBLIC OF CHINA