

PROJECT AGREEMENT BETWEEN THE UNITED STATES DEPARTMENT OF ENERGY (DOE) AND THE FEDERAL MINISTRY FOR RESEARCH AND TECHNOLOGY (BMFT) OF GERMANY IN THE AREA OF NONDESTRUCTIVE ASSAY SAFEGUARDS TECHNIQUES AND INSTRUMENTATION FOR THE SIEMENS MIXED URANIUM-PLUTONIUM OXIDE FUEL FABRICATION FACILITY (MOX-II)

1. This Project Agreement recognizes that: (1) DOE through the Los Alamos National Laboratory (LANL) has been performing non-destructive assay (NDA) activities including the development of neutron coincidence counting methods for measuring plutonium oxide (PuO₂) powders, pellets, fuel pins, and fuel assemblies; (2) BMFT is overseeing, in the framework of the Support Program BMFT - International Atomic Energy Agency (IAEA), the installation of an NDA system at the Siemens Fuel Element Facility in Hanau, Germany; and (3) DOE and BMFT (hereinafter the "Parties") both have a direct interest in undertaking a cooperative effort to apply NDA techniques and instrumentation to the Siemens Fuel Element Facility (hereinafter the "MOX-II Facility").
2. All terms of the September 29, 1977, DOE/BMFT Agreement on Cooperation in the field of Nuclear Material Safeguards and Physical Security Research and Development (hereinafter the "Safeguards Agreement") shall apply to this Project Agreement, unless specifically changed by this Project Agreement.
3. Under the framework of this Project Agreement, technical cooperation shall include the development, study and testing of NDA systems for use in the MOX-II Facility. Specific tasks to be conducted have been outlined in Appendix A, Task Statement, to this Project Agreement. These tasks shall be performed at LANL, in Los Alamos, New Mexico, and at the Siemens MOX-II Facility, in Hanau, Germany.
4. DOE through LANL shall participate in the development, study, and testing of NDA systems for use in the Siemens MOX-II FUEL for safeguarding special nuclear materials (SNM) in the form of PuO₂ powder, pellets, pins, and fuel assemblies. Siemens shall provide installation and engineered support systems at the MOX-II Facility.

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5. The Permanent Coordinating Group (PCG), established under the Safeguards Agreement, shall be the governing body for this Project Agreement. The PCG shall have the authority to approve and implement changes to the scope of work and the payment schedule, provided that such changes do not significantly affect this Project Agreement of the Parties' total financial contributions thereto. Each Party shall appoint a Technical Coordinator. The Technical Coordinators shall meet alternately in Germany and the U.S., as required to evaluate and review activities, including the status of cooperation. The Technical Coordinators shall report their findings to the PCG for appropriate action. The PCG, in consultations with the Technical Coordinators, shall determine the actual cost of this Project Agreement.
6. Siemens shall provide DOE with funding to carry out the work at LANL. The total amount of the payment and the manner of the payment shall be decided upon by the PCG.
7. It is understood that the ability of each Party to carry out its obligation under this Project Agreement is subject to the availability of appropriated funds.
8. With respect to any invention or discovery made or conceived in the course of or under this Project Agreement, Clause X of the Safeguards Agreement, dated September 29, 1977, shall apply.
9. Both Parties and organizations representing the Parties agree that no information or equipment identified as requiring protection for national security reasons (such as that which is classified) by either Party shall be provided under this Project Agreement. In the event that such information or equipment should unintentionally be created or furnished in the course of tasks or cooperation under this Project Agreement, it shall be protected from unauthorized disclosure under applicable laws, regulations and administrative practices. Where information or equipment has been inadvertently disclosed to unauthorized recipients, the originating Party shall be informed. Any difficulties in providing appropriate protection for sensitive information or equipment shall be the subject of

consultations between both Parties.

10. This Project Agreement does not supersede the international obligations, national laws and regulations of each Party with respect to transfers and release of information and equipment subject to export and re-export laws and regulations.
11. This Project Agreement shall enter into force upon signature by both Parties and shall remain in force until June 30, 1995. It may be amended or extended by mutual written agreement, and it may be terminated at any time by either Party upon six months' advance written notice to the other Party, without prejudice to the rights which may have accrued under this Project Agreement to either Party up to the date of such termination. All joint efforts and tasks not completed at the expiration or termination of this Project Agreement may be continued, upon mutual written consent, until their completion.

Done at Washington, DC/Bonn this 28. th day
of February, 1991.

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



(Signature)

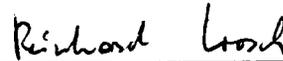
John J. Easton, Jr.

(Printed Name)

Assistant Secretary of Energy
International Affairs and
Energy Emergencies

(Title)

FOR THE FEDERAL MINISTRY OF
RESEARCH AND TECHNOLOGY OF
THE FEDERAL REPUBLIC OF
GERMANY:



(Signature)

Reinhard Loosch

(Printed Name)

Deputy Assistant Secretary
International Affairs

(Title)