



International Atomic Energy Agency

INFORMATION CIRCULAR

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**THE TEXTS OF THE INSTRUMENTS CONNECTED WITH THE AGENCY'S
ASSISTANCE TO THE PHILIPPINES IN CONTINUING
A RESEARCH REACTOR PROJECT**

A Second Supply Agreement

As a sequel to the assistance which the Agency has provided to the Government of the Philippines in connection with a research reactor project[1], a second Supply Agreement has been concluded between the Agency and the Governments of the Philippines and the United States of America. This Agreement entered into force on 23 August 1968, and the text[2] is reproduced herein for the information of all Members.

[1] Pursuant to the agreements reproduced in document INFCIRC/88.

[2] The footnotes to the text have been added in the present information circular.

SECOND SUPPLY AGREEMENT

CONTRACT FOR THE TRANSFER OF ENRICHED URANIUM
FOR A RESEARCH REACTOR IN THE PHILIPPINES

WHEREAS the International Atomic Energy Agency (hereinafter called the "Agency") and the Government of the Philippines (hereinafter called "the Philippines") on 28 September 1966 signed an Agreement (hereinafter called the "Project Agreement") [3] for assistance by the Agency to the Philippines in continuing a research project for peaceful purposes relating to the PRR-1 reactor (hereinafter called the "reactor"), and in securing the special fissionable material necessary for the reactor;

WHEREAS the Agency, the Philippines and the United States Atomic Energy Commission (hereinafter called the "Commission"), acting on behalf of the Government of the United States of America (hereinafter called the "United States"), on 28 September 1966 signed a Contract for the Transfer of Enriched Uranium (hereinafter called the "First Supply Agreement") [4] for the reactor, pursuant to which two supplies of enriched uranium were delivered to the Philippines;

WHEREAS the Philippines, in connection with the Project Agreement, has requested the assistance of the Agency in securing from the United States an additional supply of enriched uranium;

WHEREAS the Board of Governors of the Agency approved the additional assistance for the project on 19 September 1966;

WHEREAS the Agency and the United States on 11 May 1959 concluded an Agreement for Co-operation (hereinafter called the "Co-operation Agreement") [5], under which the United States undertook to make available to the Agency pursuant to the Statute of the Agency certain quantities of special fissionable material; and

WHEREAS the Philippines has made arrangements with a supplier in the United States of America for the fabrication of enriched uranium into additional fuel elements for the reactor;

NOW, THEREFORE, the Agency, the Commission and the Philippines hereby agree as follows:

ARTICLE I

Transfer of Enriched Uranium

Section 1. Subject to the provisions of the Co-operation Agreement, the Commission shall transfer to the Agency and the Agency shall accept from the Commission approximately 1399 grams of uranium enriched to approximately 93% by weight in the isotope uranium-235 (hereinafter called the "fuel material"), the precise quantities to be determined pursuant to Section 3, contained in ten fuel elements for the reactor.

Section 2. The Agency shall transfer to the Philippines and the Philippines shall accept from the Agency the fuel material.

Section 3. The conditions of the transfer of fuel material shall be those provided by Section 3 of the First Supply Agreement [4].

[3] INFCIRC/88, part II.

[4] Ibid., part I.

[5] INFCIRC/5, part III.

ARTICLE II

Payment

Section 4. The Agency shall send an invoice to the Philippines at or subsequent to the time the Parties have agreed with respect to the determination pursuant to Section 3(b) of the First Supply Agreement. Within thirty days from the date of this invoice, the Philippines shall pay to the Agency in United States currency a sum equal to that which the Agency will be obliged to pay to the Commission pursuant to Section 5. If the Agency does not receive payment within thirty days after the date of invoice, it is entitled to an additional charge at the rate of six per cent per annum on the unpaid amount.

Section 5. The Commission shall send an invoice to the Agency at or subsequent to the time the Commission transfers possession pursuant to Section 3(c) of the First Supply Agreement. Within sixty days from the date of this invoice, the Agency shall pay for the fuel material as per the schedule of charges for enriched uranium published in the United States Federal Register and in effect on the date of transfer of possession of the material, provided, however, that in the event said charges in effect on the date of transfer of possession of the material should exceed the charges set forth below, the Agency shall, at the request of the Philippines, cancel this Contract without incurring obligations of any kind thereunder.

<u>Percentage enrichment by weight in the isotope ^{235}U of the enriched uranium</u>	<u>Price US \$/g of enriched uranium</u>
90	10.034
92	10.267
93	10.385

Payment shall be made in United States currency to the Commission or its designated agent or contractor. If payment is not received within sixty days after the date of invoice, the Commission shall be entitled to an additional charge at the rate of six per cent per annum on the unpaid amount.

Section 6. In order to assist and encourage research on peaceful uses or for medical therapy, the Commission has in each calendar year offered to distribute to the Agency, free of charge, special fissionable material of a value of up to US \$ 50 000 at the time of transfer, to be supplied from the amounts specified in Article II, A of the Co-operation Agreement. If the Commission find the project to which this Contract relates eligible, it shall decide by the end of the calendar year in which this Contract is concluded on the extent, if any, to which the project shall benefit by the gift offer, and shall promptly notify the Agency and the Philippines of that decision. The payments provided in Sections 4 and 5 shall be reduced by the value of any free material thus made available.

ARTICLE III

General Provisions

Section 7. Articles III, IV and V of the First Supply Agreement [4] shall apply, mutatis mutandis, to the transfers of the fuel material mentioned in Sections 1 and 2.

ARTICLE IV

Amendment of Project Agreement

Section 8. It is understood by the Agency and the Philippines that Article II of the Project Agreement [3] is hereby amended to include the material covered by this Contract under the definition of fuel material.

ARTICLE V

Entry into force

Section 9. This Contract shall enter into force upon signature by or for the Director General of the Agency and by the authorized representatives of the Commission and the Philippines.

DONE in triplicate in the English language.

For the INTERNATIONAL ATOMIC ENERGY AGENCY:

(signed) Sigvard Eklund Vienna, 23 August 1968

For the GOVERNMENT OF THE PHILIPPINES:

(signed) Rolando Garcia Vienna, 23 August 1968

For the UNITED STATES ATOMIC ENERGY COMMISSION on behalf of the
GOVERNMENT OF THE UNITED STATES OF AMERICA:

(signed) Jack Vanderryn Vienna, 23 August 1968