



International Atomic Energy Agency

INFORMATION CIRCULAR

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THE TEXTS OF THE INSTRUMENTS CONNECTED WITH THE
AGENCY'S ASSISTANCE TO YUGOSLAVIA IN ESTABLISHING
A RESEARCH REACTOR PROJECT

Third Supply Agreement

As a sequel to the assistance which the Agency provided to the Government of Yugoslavia in connection with a research reactor project [1], a third Supply Agreement has been concluded between the Agency and the Governments of the United States of America and Yugoslavia. This Agreement entered into force on 30 December 1970, and the text [2] is reproduced herein for the information of all Members.

[1] Pursuant to the agreements reproduced in documents INFCIRC/32 and Add.1 and 2.

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

THIRD SUPPLY AGREEMENT

FIVE-YEAR CONTRACT FOR THE TRANSFER OF ENRICHED
URANIUM FOR A RESEARCH REACTOR IN YUGOSLAVIA

WHEREAS the International Atomic Energy Agency (hereinafter called the "Agency") and the Government of the Socialist Federal Republic of Yugoslavia (hereinafter called "Yugoslavia") on 4 October 1961 signed an Agreement (hereinafter called the "Project Agreement") [3] for assistance by the Agency to Yugoslavia in establishing a training and research project for peaceful purposes relating to a Triga Mark II reactor operated by the Jozef Stefan Nuclear Institute at Ljubljana (hereinafter called the "reactor");

WHEREAS the Agency, Yugoslavia 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 4 October 1961 and on 31 January and 12 and 20 February 1968 signed Contracts for the Transfer of Enriched Uranium (hereinafter called the "First" and "Second" Supply Agreement respectively) [4] for the reactor, pursuant to which supplies of enriched uranium were delivered to Yugoslavia;

WHEREAS Yugoslavia, 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 over a period of five years;

WHEREAS the Board of Governors of the Agency approved the additional assistance for the project on 29 September 1970;

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 its Statute certain quantities of special fissionable material; and

WHEREAS Yugoslavia has made arrangements with a manufacturer in the United States of America for the fabrication of enriched uranium into additional fuel elements for the reactor and for the provision therefor of fission counters containing enriched uranium;

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

ARTICLE I

Transfer of Enriched Uranium

Section 1. During a period of five (5) years from the entry into force of this Contract, the Commission, subject to the provisions of the Co-operation Agreement, shall transfer to the Agency, and the Agency shall accept from the Commission:

- (i) All of Yugoslavia's requirements for uranium enriched to approximately 20 per cent by weight in the isotope uranium-235 (hereinafter called the "Fuel Material") up to a total net amount of 23 750 grams of uranium, the exact quantities and enrichments to be determined pursuant to Section 3, contained in fuel elements for use in the 250-kilowatt Triga Mark II research reactor;

[3] INFCIRC/32, part II.

[4] Ibid., part I and INFCIRC/32/Add.1, and INFCIRC/32/Add.2, respectively.

[5] INFCIRC/5, part III.

- (ii) Approximately 3.4 grams of uranium enriched to greater than 90 per cent of weight in the isotope uranium-235 (hereinafter called the "Indicator Material"), the exact quantity and enrichment to be determined pursuant to Section 3, contained in two fission counters for the reactor.

Section 2. The Agency shall transfer to Yugoslavia and Yugoslavia shall accept from the Agency the enriched uranium received by the Agency pursuant to Section 1.

Section 3. The conditions of the transfer specified in Sections 1 and 2 shall be as follows:

- (a) Within ninety (90) days after the entry into force of this Contract and on or before 1 January of each calendar year thereafter, Yugoslavia shall provide the Agency with a written schedule of Yugoslavia's requirements for enriched uranium for the following twelve (12) month period, and at the same time Yugoslavia shall provide the Commission with a copy of such schedule. Such schedule shall have as its sole purpose facilitating deliveries hereunder and shall not be binding on the parties.
- (b) Yugoslavia shall provide the Agency and the Commission at least sixty (60) days' written notice of the amounts of enriched uranium to be made available to the manufacturer for the implementation of this Contract.
- (c) The Commission shall make available to the manufacturer or to a properly licensed supplier of the manufacturer, at a facility designated by the Commission, enriched uranium for the fuel elements and fission counters, subject to such terms, charges and licences as the Commission may require.
- (d) The precise quantity and enrichment of the enriched uranium in the fuel elements and in the fission counters shall be determined by the manufacturer or his supplier, and Yugoslavia shall cause the manufacturer to submit to the Agency and to the Commission a written certification of the determination of the enrichment by weight in the isotope uranium-235 and of the quantity of enriched uranium contained in the fission counters and fabricated fuel elements. With regard to the fuel material, this determination may be checked by the Agency, by Yugoslavia and by the Commission by means of any review or analysis that any of them may deem appropriate, and shall be approved or revised by unanimous agreement of the parties. The quantity and enrichment shown in the agreed determination shall be accepted by the parties as conclusive for all purposes. With regard to the indicator material, the determination by the manufacturer shall be accepted by the parties as conclusive for all purposes.
- (e) Upon completion of the fabrication and the preparation for shipment of the enriched uranium, and determination of the quantity and enrichment of the enriched uranium as specified in Section 3(d), Yugoslavia shall arrange for a transporter, who, after thirty (30) days' written notice to the Commission and subject to such terms, charges, conditions and licences as the Commission may require, shall transport and deliver the enriched uranium to the port of export at Los Angeles, California. The Commission, at the request of the Agency, shall thereupon transfer possession to Yugoslavia at the port so specified and authorize the export of such material. Yugoslavia shall make arrangements, including the payment of all costs, for domestic and overseas transportation and delivery (including cost of containers and packaging) and for storing such material, as well as for physically handling such material in connection with such delivery and transfer; such arrangements and costs shall not be the responsibility of, nor be borne by, either the Commission or the Agency. Yugoslavia shall accept possession of such material at the designated port of export and shall sign an appropriate written receipt therefor, whereupon Yugoslavia shall assume full and complete responsibility for the enriched uranium contained therein.

- (f) Title to the enriched uranium shall vest in the Agency at the time it leaves the jurisdiction of the United States of America and shall thereafter immediately and automatically vest in Yugoslavia.
- (g) It is understood that if desired by the parties, the transactions relating to the fuel material, as detailed in Articles I and II of this Contract, may be carried out separately from and independently of those relating to the indicator material.

ARTICLE II

Payment

Section 4. The Agency shall send an invoice to Yugoslavia at or subsequent to the time the parties have agreed with respect to the determination pursuant to Section 3(d). Within thirty (30) days from the date of this invoice, Yugoslavia shall pay to the Agency in the United States currency a sum equal to that which the Agency will be obligated to pay to the Commission pursuant to Section 5. On all amounts not received by the Agency within thirty (30) days from the date of invoice, Yugoslavia shall pay interest at the per annum rate (365-day basis) established from time to time by the Commission, such interest to commence on the thirty-first (31st) day from date of invoice.

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(e). Within sixty (60) days from the date of this invoice the Agency shall pay for the enriched uranium 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 the material, provided, however, that in the event the charges in effect on the date of transfer of the material should exceed the charges set forth in the Annex to this Contract, which are the charges in effect on the date of the entry into force of this Contract pursuant to Section 8, the Agency may, and at the request of Yugoslavia shall, cancel this Contract without incurring obligations of any kind thereunder. Payment shall be made in United States currency to the Commission or its designated agent or contractor. On all amounts not received by the Commission within sixty (60) days from the date of invoice, the Agency shall pay interest at the per annum rate (365-day basis) established from time to time by the Commission, such interest to commence on the sixty-first (61st) day from date of invoice.

ARTICLE III

General Provisions

Section 6. Articles III, IV and V of the First Supply Agreement [6] shall apply, mutatis mutandis, to the transfers specified in Sections 1 and 2 of this Contract.

ARTICLE IV

Amendment of Project Agreement

Section 7. It is understood by the Agency and Yugoslavia that Section 3 of the Project Agreement is hereby amended to include the material covered by this Contract under the definitions of fuel material and indicator material.

[6] INFCIRC/32, part I and INFCIRC/32/Add.1.

A N N E X

UNITED STATES ATOMIC ENERGY COMMISSION

CHARGES FOR ENRICHED URANIUM

The rates of charges for enriched uranium, as provided for in Section 5 of this Contract, are as follows:

| Percentage enrichment by weight in the isotope ^{235}U of the enriched uranium | Price US \$/g of enriched uranium |
|---|--------------------------------------|
| 18 | 1.876 |
| 20 | 2.098 |
| 25 | 2.656 |
| 90 | 10.034 |
| 93 | 10.385 |
| 96 | 10.764 |