



International Atomic Energy Agency

INFORMATION CIRCULAR

INFCIRC/34/Add.3

4 October 1971

GENERAL Distr.

Original: ENGLISH

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

A Second Supply Agreement

An Amendment

The text [1] of an Amendment to the Contract for the Transfer of Enriched Uranium for a Research Reactor (the Second Supply Agreement) between the Agency and the Governments of Pakistan and the United States of America [2] is reproduced herein for the information of all Members. The Amendment entered into force on 16 June 1971.

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

[2] INFCIRC/34/Add.1.

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

AMENDMENT

L/304-PAK-1

Vienna, 23 April 1971

Sir,

I have the honour to refer to the Contract for the Transfer of Enriched Uranium for a Research Reactor in Pakistan, concluded on 19 October 1967 between the International Atomic Energy Agency and the Governments of Pakistan and the United States of America, hereinafter referred to as the Second Supply Agreement [2].

The Government of Pakistan has requested, and the Government of the United States has agreed, that the enriched uranium to be provided through the Agency, pursuant to the Second Supply Agreement, be made available to a manufacturer in Japan with whom the Government of Pakistan has made arrangements for fabrication into fuel elements for the PINSTECH research reactor.

Since the Second Supply Agreement contemplates fabrication of the fuel elements in the United States, I wish to propose that the Agreement be amended as follows:

1. The sixth sentence of the preamble is amended to read as follows:

"WHEREAS Pakistan has made arrangements with a manufacturer in Japan (hereinafter called the 'Manufacturer') for the fabrication of enriched uranium into fuel elements for the reactor;"

2. Section 3 is amended to read as follows:

"The conditions of the transfer of the fuel material shall be as follows:

- (a) In accordance with the supply arrangements between the Commission and the Government of Japan, the Commission shall make available to the Manufacturer, at a facility of the Commission designated by it, enriched uranium in the standard form meeting the Commission's specifications for fabrication of the fuel material by the Manufacturer. The enriched uranium shall be made available subject to such terms, charges and licenses as the Commission may require.

The Resident Representative
of the United States of America to the International
Atomic Energy Agency,
Vienna

The Resident Representative of Pakistan
to the International Atomic Energy Agency,
Vienna

- (b) Upon completion of the fabrication, Pakistan shall cause the Manufacturer to submit to the Agency and to the Commission a written certification of the Manufacturer's determination of the enrichment by weight in the isotope uranium-235, and of the quantity of enriched uranium to be transferred to Pakistan acting on behalf of the Agency. This determination may be checked by the Agency, by Pakistan, 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 prior to transfer from the Manufacturer. The quantity and enrichment shown in the agreed determination shall be considered to be the quantity and enrichment of the fuel material actually transferred under Sections 1 and 2, and shall be used for the calculation of the payments required to be made pursuant to Article II. Concurrently with the submission of the Manufacturer's determination, Pakistan, acting on behalf of the Agency, and in consultation with the Manufacturer, shall specify in writing to the Commission a date and site for the transfer of the fuel material from the Manufacturer.
- (c) Upon the unanimous agreement of the Agency, Pakistan and the Commission on the quantity and enrichment of the isotope uranium-235 in the fuel material, the Commission shall authorize the transfer of the fuel material from the Manufacturer to Pakistan acting on behalf of the Agency. Thereupon Pakistan shall, on behalf of the Agency, be responsible for transportation of the fuel material from the transfer site and for delivering, storing and physically handling such material, and shall pay all costs in connection therewith, including the cost of containers and packaging. At the time of taking possession of the fuel material at the transfer site, Pakistan shall forward a written receipt therefor to the Agency and to the Commission on behalf of the Agency.
- (d) Title to, and risk of loss of, the fuel material shall vest in the Agency at the time Pakistan takes possession of the fuel material at the transfer site pursuant to paragraph 3(c), and shall thereafter immediately and automatically vest in Pakistan.
- (e) Pakistan, acting on behalf of the Agency, shall hold the Commission harmless from any and all liability (including third-party liability) for any cause whatsoever arising out of or resulting from the transport of the fuel material from the time the fuel material is transferred to Pakistan. Nothing in this paragraph shall deprive the Agency, Pakistan, or any other person of any rights under Section 170 of the United States Atomic Energy Act of 1954, as amended"[3].
3. The first sentence of Section 4 is amended by deleting therefrom the phrase "of the First Supply Agreement"[4].
4. The first sentence of Section 5 is amended by deleting therefrom the phrase "Section 3(e) of the First Supply Agreement"[4], and inserting in lieu thereof the phrase "Section 3(c)".

[3] Statutes of the United States of America, Vol. 68, Part I, page 919 (Public Law 83-703, approved 1954).

[4] INFCIRC/34, part I.

5. The schedule of charges as set forth in Section 5 is amended to read as follows:

<u>Percentage enrichment by weight in the isotope ²³⁵U of the enriched uranium</u>	<u>Price US \$/g of contained uranium</u>
88	10.401
89	10.524
90	10.647
91	10.772
92	10.896

Should this proposal meet the concurrence of your Government, I would appreciate having this letter and two copies thereof countersigned and returned to the Agency. The present letter, fully countersigned on behalf of the Governments of Pakistan and the United States, shall thereafter constitute an Amendment to the Second Supply Agreement [2].

Accept, Sir, the assurances of my highest consideration.

(signed) Ivan Zheludev
Deputy Director General
Department of Technical Operations
For the DIRECTOR GENERAL

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

(signed) Allan M. Labowitz
Vienna, 30 April 1971

For the GOVERNMENT OF PAKISTAN

(signed) Enver Murad
Vienna, 16 June 1971