



International Atomic Energy Agency

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THE TEXT OF THE MASTER AGREEMENT BETWEEN THE AGENCY
AND THE UNITED STATES OF AMERICA GOVERNING SALES OF
SOURCE, BY-PRODUCT AND SPECIAL NUCLEAR MATERIALS
FOR RESEARCH PURPOSES

1. The text [1] of the Master Agreement Governing Sales of Source, By-Product and Special Nuclear Materials for Research Purposes, which has been concluded between the Agency and the Government of the United States of America, is reproduced herein for the information of all Members.
2. The Agreement entered into force on 14 June 1974 and, pursuant to paragraph 15 thereof, supersedes the Master Contract for Sales of Research Quantities of Special Nuclear Materials, concluded on 20 August 1962 between the Agency and the Government of the United States [2].

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

[2] Reproduced in document INFCIRC/83, part II, Annex A.

MASTER AGREEMENT GOVERNING SALES OF SOURCE, BY-PRODUCT AND SPECIAL NUCLEAR MATERIALS FOR RESEARCH PURPOSES

The International Atomic Energy Agency (hereinafter referred to as the "Purchaser") and the United States Atomic Energy Commission (hereinafter referred to as the "Seller"), acting for and on behalf of the Government of the United States of America, hereby agree upon terms and conditions governing the sale of source, by-product and special nuclear material (hereinafter referred to as "material") for use in defined research applications, including research and materials testing reactors, pursuant to the terms of the Agreement for Co-operation between the International Atomic Energy Agency and the Government of the United States of America signed on 11 May 1959, as amended (hereinafter referred to as the "Co-operation Agreement") [3]. Each such sale shall be subject to the terms and conditions specified below and as specified in supplemental contracts to be concluded from time to time.

1. Each such supplemental contract shall refer to this Master Agreement as applicable to the supplemental contract and by such reference shall incorporate the same therein, and shall include provisions identifying the material, its use, charges, applicable delivery and shipping instructions. Such supplemental contracts may provide for the furnishing of materials by the Seller to persons (hereinafter referred to as "Customers") other than the Purchaser, in which event the Customers shall also execute the supplemental contracts.
2. Material sold hereunder will be delivered f. o. b. the Purchaser's or Customer's vehicle or commercial conveyance at a facility of the Seller designated by the Seller. Unless otherwise agreed by the parties in writing, title to such material shall pass to the Purchaser or to the Customer upon such delivery in accordance with the supplemental contract. Risk of loss of, or damage to, the material shall pass with title.
3. All costs of transportation and delivery of and of storing the material, as well as all costs of containers and packaging and arrangements for its physical handling in connection with its transfer and delivery, shall be the responsibility of and borne by the Purchaser or the Customer, as the case may be. Payment of the Seller's service charges, if any, for withdrawal, handling and packaging, and for any other special service rendered in connection with furnishing the material in accordance with the Purchaser's or Customer's request, shall be made in accordance with the supplemental contract. All charges made hereunder shall be determined in accordance with the Seller's established pricing policy in effect on the date of delivery of the material.
4. After delivery pursuant to paragraph 2, the Purchaser and, where applicable, the Customer, shall bear all responsibility, in so far as the Government of the United States of America, the Seller, and persons acting on behalf of the Seller are concerned, for the safe handling and use of the material sold hereunder. Neither the Seller, the Government of the United States of America, nor the operator of the Seller's facility fulfilling each supplemental contract makes any warranty either express, implied, or statutory with regard to the material, or any other representation that the materials furnished hereunder (1) will not result in injury or damage when used for the purpose for which they are requested, (2) will accomplish the results for which they are requested, or (3) are safe for any other use. Nothing in this paragraph shall deprive any person of any rights under Section 170 of the United States Atomic Energy Act of 1954, as amended [4].

[3] The Co-operation Agreement and the Amendment thereto are reproduced in documents INFCIRC/5, part III and INFCIRC/5/Mod.1 respectively.

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

5. If material sold hereunder does not conform to the specifications set forth in the relevant supplemental contract or, if no such specifications are set forth, to the Seller's established specifications, the responsibility and liability of the Government of the United States of America, the Seller, and persons acting on behalf of the Seller shall be limited solely to correcting such discrepancies by delivery of material which does conform to the applicable specifications.
6. (a) The term "Seller's established specifications" means the specifications for purity and other physical or chemical properties of special nuclear material, as published by the Seller in the United States Federal Register from time to time.
(b) The term "Seller's established pricing policy" means any applicable price or charge in effect at the time of delivery of any material sold hereunder (i) published by the Seller in the United States Federal Register, or (ii) in the absence of such a published figure, determined in accordance with the Seller's pricing policies. The Seller's published prices and charges, as well as its pricing policy, may be amended from time to time.
7. The material may be furnished by the operator of any of the Seller's facilities. No such operator is authorized to modify the terms of this Agreement, waive any requirement thereof, or settle any claim or dispute arising hereunder.
8. Payment shall be made in United States currency within thirty (30) days from the date of an invoice which will be sent, as provided in the supplemental contract, at or subsequent to the time of the Seller's delivery of the material. On all amounts not received by the Seller within thirty (30) days from the date of the invoice, the Purchaser or the Customer, as the case may be, shall pay interest at the per annum rate (365-day basis) established from time to time by the Seller, such interest to commence on the thirty-first (31st) day from the date of the invoice except that, whenever the due date for any payment under this paragraph falls on a Saturday, a Sunday, or a United States legal holiday, interest shall commence on the day immediately following the next day which is not a Saturday, a Sunday, or a United States legal holiday.
9. The Seller will make reasonable efforts to deliver material at the time or times set forth in the relevant supplemental contract, but neither the Seller nor persons acting on behalf of the Seller shall be liable for any failure to so deliver.
10. The sales which are the subject of this Agreement shall be in all respects subject to and in accordance with all of the terms, conditions and provisions of the Co-operation Agreement and any amendments thereto.
11. Nothing in this Agreement shall be deemed to obligate the parties to the sale or purchase of any material, it being the intent of the parties to provide for sale and purchase of material by contracts supplemental to this Agreement.
12. Neither this Agreement nor any rights or interest hereunder or under any supplemental contracts shall be transferred or assigned by the Purchaser or the Customer.
13. No member of Congress of the United States of America or resident Commissioner of the United States of America shall be admitted to or share any part of this Agreement or any supplemental contract or any benefit that may arise therefrom.
14. Any dispute arising under this Agreement or any supplemental contract, which is not settled by mutual agreement of the parties, shall be referred for arbitration to a board composed as follows:
 - (a) If the dispute involves only two of the parties, all three parties agreeing that the third is not concerned, the two parties involved shall each designate one arbitrator, and the two arbitrators so designated shall elect a third, who shall be the chairman. If within thirty (30) days of the request for arbitration either

party has not designated an arbitrator, either party to the dispute may request the President of the International Court of Justice to appoint an arbitrator. The same procedure shall apply if, within thirty (30) days of the designation or appointment of the second arbitrator, the third arbitrator has not been elected;

- (b) If the dispute involves all three parties, each party shall designate one arbitrator, and the three arbitrators so designated shall by unanimous decision elect a fourth arbitrator, who shall be the chairman, and a fifth arbitrator. If within thirty (30) days of the request for arbitration any party has not designated an arbitrator, any party may request the President of the International Court of Justice to appoint the necessary number of arbitrators. The same procedure shall apply if, within thirty (30) days of the designation or appointment of the third of the first three arbitrators, the chairman or the fifth arbitrator has not been elected.

A majority of the members of the arbitral tribunal shall constitute a quorum, and all decisions shall be made by majority vote. The arbitral procedure shall be established by the tribunal, whose decisions, including all rulings concerning its constitution, procedure, jurisdiction and the division of the expenses of arbitration between the parties, shall be final and binding on all parties. The remuneration of the arbitrators shall be determined on the same basis as that of ad hoc judges of the International Court of Justice.

15. The Master Contract for Sales of Research Quantities of Special Nuclear Materials, signed on August 20, 1962 [2], is superseded by this Agreement on the date this Agreement is signed. The rights and obligations of the parties provided for under this Agreement shall extend, to the extent applicable, to activities initiated under the superseded Contract.

IN WITNESS WHEREOF, the Purchaser and the Seller have signed this Agreement this fourteenth day of June, 1974.

For the INTERNATIONAL ATOMIC
ENERGY AGENCY:

— For the UNITED STATES ATOMIC ENERGY
COMMISSION acting for and on
behalf of the GOVERNMENT OF
THE UNITED STATES OF AMERICA:

(signed) Sigvard Eklund

(signed) William O. Doub