No. 49286

International Atomic Energy Agency, Mexico and

United States of America

Agreement between the International Atomic Energy Agency, the Government of the United Mexican States and the Government of the United States of America concerning the replacement of highly enriched uranium by low enriched uranium (with annexes). Vienna, 13 July 2011, 29 July 2011 and 1 August 2011

Entry into force: 1 August 2011 by signature, in accordance with article XII

Authentic texts: English and Spanish

Registration with the Secretariat of the United Nations: International Atomic Energy Agency,

26 January 2012

Agence internationale de l'énergie atomique, Mexique et États-Unis d'Amérique

Accord entre l'Agence internationale de l'énergie atomique, le Gouvernement des États-Unis du Mexique et le Gouvernement des États-Unis d'Amérique concernant le remplacement de l'uranium hautement enrichi par de l'uranium faiblement enrichi (avec annexes). Vienne, 13 juillet 2011, 29 juillet 2011 et 1^{er} août 2011

Entrée en vigueur : 1^{er} août 2011 par signature, conformément à l'article XII

Textes authentiques: anglais et espagnol

Enregistrement auprès du Secrétariat des Nations Unies : Agence internationale de l'énergie

atomique, 26 janvier 2012

[ENGLISH TEXT – TEXTE ANGLAIS]

PROJECT AND SUPPLY AGREEMENT

AGREEMENT BETWEEN THE INTERNATIONAL ATOMIC ENERGY AGENCY,
THE GOVERNMENT OF THE UNITED MEXICAN STATES AND THE
GOVERNMENT OF THE UNITED STATES OF AMERICA CONCERNING THE
REPLACEMENT OF HIGHLY ENRICHED URANIUM BY LOW ENRICHED
URANIUM

WHEREAS the Government of the United Mexican States (hereinafter called "Mexico") desires to establish a project relating to the replacement of highly enriched uranium (HEU) fuel by low enriched uranium (LEU) for the operation of the TRIGA Mark III research reactor (hereinafter called the "reactor") at Ocoyoacac, Estado de Mexico;

WHEREAS under the Agreement for Cooperation between the International Atomic Energy Agency (hereinafter called the "Agency") and the United States, concluded on 11 May 1959, as amended (hereinafter called the "Cooperation Agreement"), the Government of the United States of America (hereinafter "the United States") undertook to make available to the Agency pursuant to the Statute of the Agency (hereinafter called the "Statute") certain quantities of special fissionable material, and also undertook, subject to applicable provisions and license requirements, to permit, upon request of the Agency, persons under the jurisdiction of the United States to make arrangements to transfer and export materials, equipment or facilities for Members of the Agency in connection with an Agency-assisted project;

WHEREAS pursuant to the terms of the Cooperation Agreement, the Agency and the United States on 14 June 1974 signed a Master Agreement Governing Sales of Source, By-Product and Special Nuclear Materials for Research Purposes (hereinafter called the "Master Agreement");

WHEREAS Mexico, on 14 September 1973, concluded with the Agency an Agreement for the Application of Safeguards in connection with the Treaty for the Prohibition of Nuclear Weapons in Latin America and the Caribbean and the Treaty on the Non-Proliferation of Nuclear Weapons (hereinafter called "Mexico's Safeguards Agreement");

WHEREAS the United States, on 9 December 1980, concluded with the Agency an Agreement for the Application of Safeguards in the United States of America (hereinafter called the "United States' Safeguards Agreement"); and

WHEREAS Mexico and the United States reaffirm their support of the objectives of the Statute and their commitment to ensuring that the international development and use of nuclear energy for peaceful purposes are carried out under arrangements that, to the maximum extent, will prevent the proliferation of nuclear explosive devices;

NOW THEREFORE the Agency, Mexico and the United States (hereinafter called the "Parties") hereby agree as follows:

ARTICLE I

Definition of the Project

- 1. The project which is the subject of this Agreement is the transfer of LEU, by the United States, through the Agency, to Mexico for the operation of the reactor by the National Institute for Nuclear Research (hereinafter called "ININ"), and the transfer of HEU fuel by Mexico, through the Agency, to the United States.
- 2. This Agreement shall apply, *mutatis mutandis*, to any additional assistance provided by the Agency to Mexico for the project.
- 3. Except as specified in this Agreement, the Agency shall not assume any obligations or responsibilities insofar as the project is concerned.

ARTICLE II

Supply of Low Enriched Uranium

- The Agency, pursuant to Article IV of the Cooperation Agreement, shall request the United States to transfer to Mexico approximately 113 kilograms of uranium enriched to less than 20 per cent by weight in the isotope uranium-235 (hereinafter called the "LEU"), at no cost to Mexico or the Agency.
- The United States, subject to the provisions of the Co-operation Agreement and the Master Agreement and to the issuance of any required licenses and permits, shall transfer title to the LEU to the Agency and the Agency shall thereafter immediately and automatically transfer the title to Mexico.
- 3. The particular terms and conditions for the transfer of LEU shall be specified in a Supplemental Contract to the Master Agreement (hereinafter called the "Supplemental Contract") to be concluded between the Agency, Mexico and the United States in implementation of this Agreement. All arrangements for the transfer of the LEU shall be the responsibility of Mexico and the United States. Prior to the transfer of any part of such material, Mexico and the United States shall notify the Agency of the amount thereof and of the date, place and method of shipment.
- 4. The LEU and any special fissionable material produced through the use of the LEU, including subsequent generations of produced special fissionable material, shall be used exclusively by and remain at the ININ at Ocoyoacac, Estado de Mexico, Mexico, unless the Parties hereto agree otherwise.
- 5. The LEU and any special fissionable material produced through its use, including subsequent generations of produced special fissionable material, shall be stored or reprocessed or otherwise altered in form or content only under conditions and in facilities acceptable to the Parties. Such materials shall not be further enriched unless the Parties amend this Agreement for that purpose.

ARTICLE III

Transfer of Highly Enriched Uranium

- 1. Subject to the provisions of this Agreement, the Agency shall receive from Mexico title to the HEU fuel consisting of 28 fresh fuel assemblies and 29 irradiated fuel assemblies which contain approximately 10.8 kilograms of uranium enriched to 70 per cent by weight in the isotope uranium-235, at no cost for Mexico or the Agency, and thereafter the Agency shall immediately and automatically transfer title to the HEU fuel to the United States, at no cost for the Agency.
- 2. The particular terms and conditions for the transfer of the HEU fuel, including place and schedule of deliveries and shipping instructions and the specific responsibilities of each Party, shall be specified in the Supplemental Contract, to be concluded between the Agency, Mexico and the United States in implementation of this Agreement. All arrangements for the transfer of the HEU fuel from Mexico to the United States, through the Agency, shall be the responsibility of Mexico and the United States. Prior to the export from Mexico of any part of such material, Mexico and the United States shall notify the Agency of the amount thereof and of the date, place, method of shipment, and any other arrangements necessary for the export.
- The HEU fuel and any special fissionable material produced through the use of the HEU fuel, including subsequent generations of produced special fissionable material, shall remain in the United States.
- 4. The HEU fuel and any special fissionable material produced through its use, including subsequent generations of produced special fissionable material, shall be stored or reprocessed or otherwise altered in form or content only under conditions in accordance with the United States' Safeguards Agreement. Such materials shall not be further enriched unless the Parties amend this Agreement for that purpose.

ARTICLE IV

Transport, Handling and Use

- 1. Mexico and the United States shall take all appropriate measures to ensure the safe transport, handling and use of the LEU and the HEU fuel.
- 2. The Agency does not warrant the suitability or fitness of the LEU for any particular use or application and shall not at any time bear any responsibility towards Mexico or any person or entity for any claims arising out of the transport, handling and use of the LEU.
- 3. The United States warrants that the LEU to be fabricated into LEU fuel assemblies has been demonstrated to be suitable for use in the reactor, and that the operational parameters of the reactor with the use of this LEU fuel are expected to be at least the same as those that the reactor would have with the HEU fuel presently under the ownership of Mexico.

ARTICLE V

Safeguards

- Mexico undertakes that the LEU and any special fissionable material used in or produced through the use of the LEU, including subsequent generations of produced special fissionable material, shall not be used for the manufacture of any nuclear weapon or any nuclear explosive device, or for research on or the development of any nuclear weapon or any nuclear explosive device, or in such a way as to further any military purpose.
- 2. The United States undertakes that the HEU fuel and any special fissionable material used in or produced through the use of the HEU fuel, including subsequent generations of produced special fissionable material, shall not be used for the manufacture of any nuclear weapon or any nuclear explosive device, or for research on or the development of any nuclear weapon or any nuclear explosive device, or in such a way as to further any military purpose.
- 3. The safeguards rights and responsibilities of the Agency provided for in Article XII.A of the Statute are relevant to the project and shall be implemented and maintained with respect to the project. Mexico and the United States shall cooperate with the Agency to facilitate the implementation of the safeguards required by this Agreement.
- 4. The Agency safeguards referred to in paragraph 3 of this Article shall, in respect of Mexico, for the duration of this Agreement, be implemented pursuant to Mexico's Safeguards Agreement.
- 5. The Agency safeguards referred to in paragraph 3 of this Article shall, in respect of the United States, for the duration of this Agreement, be implemented pursuant to the United States' Safeguards Agreement.
- 6. Article XII.C of the Statute shall apply with respect to any non-compliance by Mexico or the United States with the provisions of this Agreement.

ARTICLE VI

Safety Standards and Measures

The safety standards and measures specified in Annex A to this Agreement shall apply to Mexico.

ARTICLE VII

Agency Inspectors

The relevant provisions of Mexico's Safeguards Agreement and the United States' Safeguards Agreement shall apply to Agency inspectors performing functions pursuant to this Agreement.