

AGREEMENT FOR COOPERATION BETWEEN THE GOVERNMENT OF THE UNITED STATES OF AMERICA AND THE GOVERNMENT OF THE ARAB REPUBLIC OF EGYPT CONCERNING PEACEFUL USES OF NUCLEAR ENERGY

The Government of the United States of America and the Government of the Arab Republic of Egypt,

Mindful that both the United States and the Arab Republic of Egypt are parties to the Treaty on the Non-Proliferation of Nuclear Weapons

Affirming their support of the objectives of the International Atomic Energy Agency ("IAEA") and the NPT;

Considering their desire to pursue a cooperative program in the peaceful use of nuclear energy, including the design, construction, and operation of power-producing reactors and research reactors, and the exchange of information relating to the development of other peaceful uses of nuclear energy;

Considering the plans of the Government of the Arab Republic of Egypt to undertake the installation of nuclear power plants as part of its program of introducing and expanding electricity generation by nuclear power;

Reaffirming their desire to enter into this agreement to cooperate with each other to attain the above objectives; and

Mindful that peaceful nuclear activities must be undertaken with a view to protecting the international environment from radioactive, chemical and thermal contamination;

Have agreed as follows:

ARTICLE 1- SCOPE OF COOPERATION

1. The United States and the Arab Republic of Egypt shall cooperate in the use of nuclear energy for peaceful purposes in accordance with the provisions of this agreement.
2. Transfers of information, material, equipment and components under this agreement may be undertaken directly between the parties or through authorized persons under their jurisdiction. Such transfers shall be subject to this agreement and, if necessary, to such additional terms and conditions as may be agreed by the parties.

ARTICLE 2- DEFINITIONS

For the purposes of this agreement:

(a) "by-product material" means any radioactive material (except special nuclear material) yielded in or made radioactive by exposure to the radiation incident to the process of producing or utilizing special nuclear material;

(b) "component" means a component part of equipment or other item, so designated by agreement of the parties;

(c) "equipment" means any production or utilization facility (including uranium enrichment and nuclear fuel reprocessing facilities), or any facility for the production of heavy water or the fabrication of nuclear fuel containing plutonium, or any other item so designated by agreement of the parties;

(d) "high enriched uranium" means uranium enriched to twenty percent or greater in the isotope 235;

(e) "low enriched uranium" means uranium enriched to less than twenty percent in the isotope 235;

(f) "major critical component" means any part or group of parts essential to the operation of a sensitive nuclear facility;

(g) "material" means source material, special nuclear material or by-product material, radioisotopes other than by-product material, moderator material, or any other such substance so designated by agreement of the parties;

(h) "moderator material" means heavy water, or graphite or beryllium of a purity suitable for use in a reactor to slow down high velocity neutrons and increase the likelihood of further fission, or any other such material so designated by agreement of the parties;

(i) "parties" means the Government of the United States of America and the Government of the Arab Republic of Egypt;

(j) "peaceful purposes" include the use of information, material, equipment and components in such fields as research, power generation, medicine, agriculture and industry but do not include use in, research on or development of any nuclear explosive device, or any military purpose;

(k) "person" means any individual or any entity subject to the jurisdiction of either party but does not include the parties to this agreement;

(l) "production facility" means any nuclear reactor designed or used primarily for the formation of plutonium or uranium 233, any facility designed or used for the separation of the isotopes of uranium or plutonium, any facility designed or used for the processing of irradiated materials containing special nuclear material for the separation or production of special nuclear material except where the parties agree that the quantity of special nuclear material the facility is capable of separating or producing lacks significance for nuclear explosive purposes, or any other item so designated by agreement of the parties;

(m) "reactor" means any apparatus, other than a nuclear weapon or other nuclear explosive device, in which a self-sustaining fission chain reaction is maintained by utilizing uranium, plutonium or thorium, or any combination thereof;

(n) "restricted data" means all data concerning (i) design, manufacture, or utilization of nuclear weapons, (ii) the production of special nuclear material, or (iii) the use of special nuclear material in the production of energy, but shall not include data declassified or removed from the category of restricted data by the United States;

(o) "sensitive nuclear facility" means any facility designed or used primarily for uranium enrichment, reprocessing of nuclear fuel, heavy water production, or fabrication of nuclear fuel containing plutonium;

(p) "sensitive nuclear technology" means any information (including information incorporated in equipment or an important component) which is not in the public domain and which is important to the design, construction, fabrication, operation or maintenance of any sensitive nuclear facility, or such other information designated by agreement of the parties;

(q) "source material" means (i) uranium, thorium, or any other material so designated by agreement of the parties, or (ii) ores containing one or more of the foregoing materials, in such concentration as the parties may agree from time to time;

(r) "special nuclear material" means (i) plutonium, uranium 233, or uranium enriched in the isotope 235, or (ii) any other material so designated by agreement of the parties; and

(s) "utilization facility" means any reactor other than one designed or used primarily for the formation of plutonium or uranium 233.

ARTICLE 3- TRANSFER OF INFORMATION

1. Information respecting the use of nuclear energy for peaceful purposes may be transferred, including information relating to such fields as:

(a) development, design, construction, operation, maintenance and use of research, materials testing, experimental, demonstration power and power reactors;

- (b) application of nuclear power to the desalination of water;
- (c) uranium ore refining and conversion and fabrication of light water power reactor fuel;
- (d) nuclear instrumentation;
- (e) exploration for and development of uranium resources;
- (f) the use of material in physical and biological research, medicine, agriculture and industry;
- (g) fuel cycle studies of ways to meet future worldwide civil nuclear needs, including multilateral approaches to guaranteeing nuclear fuel supply and appropriate techniques for management of nuclear wastes;
- (h) safeguards and physical protection of materials and equipment;
- (i) health, safety and environmental considerations related to the foregoing; and
- (j) assessing the role nuclear power may play in national energy plans.

The parties shall take every precaution to protect any such information which comes to their knowledge and which, at the time of transfer or receipt, is designated by the supplier party to be proprietary or confidential.

2. This agreement does not require the transfer of any information which the parties are not permitted to transfer.
3. Restricted data shall not be transferred under this agreement.
4. Sensitive nuclear technology may be transferred if provided for by an amendment to this agreement or by a separate agreement.

ARTICLE 4- TRANSFER OF MATERIAL, EQUIPMENT AND COMPONENTS

1. Material, equipment and components may be transferred for applications consistent with this agreement. Special nuclear material other than low enriched uranium and material covered by paragraph 4, sensitive nuclear facilities and major critical components for use in sensitive nuclear facilities may be transferred to the Arab Republic of Egypt if provided for by an amendment to this agreement or by a separate agreement.
2. Low enriched uranium may be transferred for use as fuel in reactors and in reactor experiments, for conversion or fabrication, or for such other purposes as may be agreed by the parties.

3. The quantity of special nuclear material transferred to the Arab Republic of Egypt under this agreement shall not at any time be in excess of the quantity the parties agree is necessary for any of the following purposes: the loading of reactors or use in reactor experiments, the efficient and continuous operation of such reactors or conduct of such reactor experiments, and the accomplishment of other purposes as may be agreed by the parties.

4. Special nuclear material may be transferred (a) in small quantities for use as samples, standards, detectors, targets, and such other purposes as may be agreed by the parties, or (b) which the parties agree has no significance for nuclear explosive purposes and has been consumed, diluted or converted in such a way that the special nuclear material has become practicably irrecoverable.

5. The United States shall take such actions as may be appropriate to ensure a reliable supply of nuclear fuel to the Arab Republic of Egypt, including the export of nuclear material on a timely basis and the availability of the capacity to carry out this undertaking during the period of this agreement.

ARTICLE 5- STORAGE AND RETRANSFERS

1. Material transferred pursuant to this agreement and material used in or produced through the use of any material or equipment transferred pursuant to this agreement may be stored by either party, except that each party guarantees that no such special nuclear material (except for unirradiated low enriched uranium), over which it has jurisdiction, shall be stored in any facility that has not been agreed to in advance by the parties. In the selection of a storage facility, due consideration shall be given to non-proliferation aspects as well as to the economics of the storage and its implications on the cost of energy.

2. Material, equipment or components transferred pursuant to this agreement and any special nuclear material produced through the use of any such material or equipment may be transferred by the recipient party, except that such party guarantees that any such material, equipment, components or special nuclear material, over which it has jurisdiction, shall not be transferred to unauthorized persons or, unless the parties agree, beyond its territorial jurisdiction.

ARTICLE 6- REPROCESSING AND ENRICHMENT

1. Each party guarantees that material transferred to and under its jurisdiction pursuant to this agreement and material used in or produced through the use of any material or equipment transferred to and under its jurisdiction pursuant to this agreement shall not be reprocessed unless the parties agree. If reprocessing is agreed upon by the parties, it shall be carried out only in facilities acceptable to both parties.

2. Each party guarantees that any special nuclear material (except for unirradiated low enriched uranium) transferred to and under its jurisdiction pursuant to this agreement, or

used in or produced through the use of any material or equipment transferred to and under its jurisdiction pursuant to this agreement, shall not be altered in form or content, except by irradiation or further irradiation, unless the parties agree.

3. Each party guarantees that uranium transferred to and under its jurisdiction pursuant to this agreement, and uranium used in any equipment so transferred and under its jurisdiction, shall not be enriched after transfer unless the parties agree.

ARTICLE 7- PHYSICAL PROTECTION

1. Each party guarantees that adequate physical protection shall be maintained with respect to any material and equipment transferred to and under its jurisdiction pursuant to this agreement and with respect to any special nuclear material used in or produced through the use of any material or equipment transferred to and under its jurisdiction pursuant to this agreement.

2. The parties agree to the levels for the application of physical protection set forth in the Annex, which levels may be modified by mutual consent of the parties. The parties shall maintain adequate physical protection measures in accordance with such levels. These measures shall as a minimum provide protection comparable to that set forth in IAEA document INFCIRC/225/Revision 1 concerning the physical protection of nuclear material, or in any revision of that document agreed to by the parties.

3. The adequacy of physical protection measures maintained pursuant to this article shall be reviewed by the parties periodically and whenever either party is of the view that revised measures may be required to maintain adequate physical protection.

4. Each party shall identify those agencies or authorities having responsibility for ensuring that levels of physical protection are adequately met and having responsibility for coordinating response and recovery operations in the event of unauthorized use or handling of material subject to this article. Each party shall also designate points of contact within its national authorities to cooperate on matters of out-of-country transportation and other matters of mutual concern.

5. The provisions of this article shall be implemented in such a manner as to avoid hampering, delay or undue interference in the parties' nuclear activities and so as to be consistent with prudent management practices required for the economic and safe conduct of their nuclear programs.

ARTICLE 8- NO EXPLOSIVE OR MILITARY APPLICATION

Each party guarantees that no material, equipment or components transferred to and under its jurisdiction pursuant to this agreement and no material used in or produced through the use of any such material, equipment or components so transferred and under its juris-

diction shall be used for any nuclear explosive device, for research on or development of any nuclear explosive device, or for any military purpose.

ARTICLE 9- SAFEGUARDS

1. Cooperation under this agreement shall require the application of IAEA safeguards with respect to all nuclear activities within the territory of the Arab Republic of Egypt, under its jurisdiction or carried out under its control anywhere. The conclusion and implementation of a safeguards agreement with the IAEA in accordance with article III (1) and (4) of the NPT shall be considered as fulfilling this requirement.

2. Material transferred to the Arab Republic of Egypt pursuant to this agreement and any source or special nuclear material used in or produced through the use of any material, equipment or components so transferred shall be subject to safeguards in accordance with the agreement between the Arab Republic of Egypt and the IAEA for the application of safeguards in connection with the NPT.

3. If either party knows of circumstances which demonstrate that the IAEA for any reason is unable to apply safeguards in accordance with the agreement referred to in paragraph 2, it shall inform the other party and, in order to ensure effective continuity of safeguards, the parties shall immediately enter into arrangements which conform with IAEA safeguards principles and procedures and with the coverage required by that paragraph and which provide assurance equivalent to that intended to be secured by the system they replace.

4. Each party guarantees it shall take such measures as are necessary to maintain and facilitate the application of safeguards provided for under this article.

5. Each party shall establish and maintain a system of accounting for and control of all material transferred pursuant to this agreement and any material used in or produced through the use of any material, equipment or components so transferred, the procedures of which shall be comparable to those set forth in IAEA document INFCIRC/153 (corrected), or in any revision of that document agreed to by the parties.

6. The provisions of this article shall be implemented in such a manner as to avoid hampering, delay or undue interference in the parties' nuclear activities and so as to be consistent with prudent management practices required for the economic and safe conduct of their nuclear programs.

ARTICLE 10- MULTIPLE SUPPLIER CONTROLS

In certain circumstances, one party may have a separate peaceful nuclear cooperation agreement with a third nation or group of nations which provides to that third nation or group of nations rights equivalent to any or all of the rights set forth under articles 5, 6 and 7 with respect to material, equipment or components, subject to such rights under this

agreement. In such circumstances, in order to simplify implementation of these articles, the parties may, upon the request of either of them, agree that implementation of the other party's rights will be accomplished by the third nation or group of nations.

ARTICLE 11- CESSATION OF COOPERATION

1. If either party at any time following entry into force of this agreement

(a) materially violates the provisions of articles 5, 6, 7, 8 or 9,

(b) terminates, abrogates or materially violates a safeguards agreement with the IAEA, the other party shall have the rights to cease further cooperation under this agreement and to require the return of any material, equipment or components transferred under this agreement and any special nuclear material produced through their use.

2. If the Arab Republic of Egypt at any time following entry into force of this agreement detonates a nuclear explosive device, the United States shall have the same rights as specified in paragraph 1.

3. If either party exercises its rights under this article to require the return of any material, equipment or components, it shall, after removal from the territory of the other party, reimburse the other party for the fair market value of such material, equipment or components. In the event this right is exercised, the parties shall make such other appropriate arrangements as may be required which shall not be subject to any further agreement between the parties as otherwise contemplated under articles 5 and 6.

ARTICLE 12- CONSULTATIONS, REVIEW, CONFIDENTIALITY AND ENVIRONMENTAL PROTECTION

1. The parties shall consult at the request of either party regarding the implementation of this agreement and the development of further cooperation in the field of peaceful uses of nuclear energy.

2. This agreement shall be reviewed at any time at the request of either party to take into account regional and international non-proliferation developments, international technological developments and institutional arrangements, the economic and energy needs of the Arab Republic of Egypt, or such other circumstances as may be warranted. The terms of this agreement may be amended as agreed between the parties and in accordance with their applicable requirements.

3. The parties shall take every precaution to protect any information which comes to their knowledge in the implementation of this agreement and which, at the time of transfer or receipt, is designated by the supplier party to be proprietary or confidential.

4. The parties shall consult and, as may be agreed by the parties, cooperate in matters relating to environmental implications of peaceful nuclear energy with the objective of protecting the environment from radioactive, chemical or thermal contamination arising from peaceful nuclear activities and in related matters of health and safety.

ARTICLE 13- SETTLEMENT OF DISPUTES

The parties shall seek to resolve any dispute concerning the interpretation or implementation of this agreement by negotiation, enquiry, mediation, conciliation, arbitration, judicial settlement, or other peaceful means of their own choice.

ARTICLE 14- ENTRY INTO FORCE AND DURATION

1. This agreement shall enter into force on the date on which the parties exchange diplomatic notes informing each other that they have complied with all applicable requirements for its entry into force. This agreement shall remain in force for a period of forty (40) years and may be reviewed from time to time or extended for such additional periods as may be agreed between the parties in accordance with their applicable requirements.

2. Notwithstanding the suspension, termination or expiration of this agreement or any cooperation hereunder for any reason, articles 5, 6, 7, 8, 9 and 11 shall continue in effect so long as any material, equipment or components subject to these articles remain in the territory of the party concerned or under its jurisdiction or control anywhere, or until such time as the parties agree that such material, equipment or components are no longer useable for any nuclear activity relevant from the point of view of safeguards.

ARTICLE 15- REGISTRATION

This agreement shall be registered in accordance with article 102 of the Charter of the United Nations.

In witness whereof, the undersigned, being duly authorized, have signed this agreement.

Done at Washington this 29th day of June 1981, in duplicate, in the English and Arabic languages, both equally authentic.

FOR THE GOVERNMENT OF THE UNITED STATES OF AMERICA:

A.M. Haig, Jr.

FOR THE GOVERNMENT OF THE ARAB REPUBLIC OF EGYPT:

Maher Abaza.

ANNEX

Pursuant to paragraph 2 of article 7, the agreed levels of physical protection to be ensured by the competent national authorities in the use, storage and transportation of the materials listed in the attached table shall as a minimum include protection characteristics as follows.

CATEGORY III

Use and storage within an area to which access is controlled.

Transportation under special precautions including prior arrangements among sender, recipient and carrier, and prior agreement between entities subject to the jurisdiction and regulation of supplier and recipient States, respectively, in case of international transport specifying time, place and procedures for transferring transport responsibility.

CATEGORY II

Use and storage within a protected area to which access is controlled, i.e., an area under constant surveillance by guards or electronic devices, surrounded by a physical barrier with a limited number of points of entry under appropriate control, or any area with an equivalent level of physical protection.

Transportation under special precautions including prior arrangements among sender, recipient and carrier, and prior agreement between entities subject to the jurisdiction and regulation of supplier and recipient States, respectively, in case of international transport, specifying time, place and procedures for transferring transport responsibility.

CATEGORY I

Material in this category shall be protected with highly reliable systems against unauthorized use as follows.

Use and storage within a highly protected area, i.e., a protected area as defined for category II above, to which, in addition, access is restricted to persons whose trustworthiness has been determined, and which is under surveillance by guards who are in close communication with appropriate response forces. Specific measures taken in this context should have as their objective the detection and prevention of any assault, unauthorized access or unauthorized removal of material.

Transportation under special precautions as identified above for transportation of categories II and III materials and, in addition, under constant surveillance by escorts and under conditions which assure close communication with appropriate response forces.

TABLE: CATEGORIZATION OF NUCLEAR MATERIAL

Material: Form	Category		
	I	II	III
1. Plutonium:[a] Unirradiated [b].....	2 kg or more.....	Less than 2 kg but more than 500 g.	500 g or less [c]
2. Uranium-235: Unirradiated: [b]			
Uranium enriched to 20 percent.....	5 kgs or more.....	Less than 5 kg but more than 1 kg.	1 kg or less.[c]
U235 or more			
Uranium enriched to 10 percent.....	10 kg or more		Less than 10 kgs [c]
U235 but less than 20 percent			
Uranium enriched above natural, but less than 10 percent U235. [d]			10 kg or more
3. Uranium-233: Unirradiated [b].....	2 kgs or more.....	Less than 2 kg but more than 500 g.	500 g or less[c]
4. Irradiated fuel		Depleted or natural uranium, thorium or low enriched fuel (less than 10 percent fissile content) [e, f]	

- a All plutonium except that with isotopic concentration exceeding 80 percent in plutonium-238.
- b. Material not irradiated in a reactor or material irradiated in a reactor but with a radiation level equal to or less than 100 rads/hour at 1 meter unshielded.
- c. Less than a radiologically significant quantity should be exempted.
- d. Natural uranium, depleted uranium and thorium and quantities of uranium enriched to less than 10 percent not falling in category III should be protected in accordance with prudent management practice.
- e. Although this level of protection is recommended it would be open to States, upon evaluation of the specific circumstances, to assign a different category of physical protection.
- f. Other fuel which by virtue of its original fissile material content is classified as category I or II before irradiation may be reduced 1 category level while the radiation level from the fuel exceeds 100 rads/hour at 1 meter unshielded.

AGREED MINUTE

During the negotiation of the proposed Agreement for Cooperation between the Government of the United States of America and the Government of the Arab Republic of Egypt Concerning Peaceful Uses of Nuclear Energy ("agreement") signed today, the following understandings, which shall be an integral part of the agreement, were reached.

The parties note that the agreement will permit the transfer from the United States to the Arab Republic of Egypt of technology and equipment for nuclear electric power generation, including at the outset the transfer of technology and equipment for nuclear electric generating capacity of about 2000 megawatts electric and enriched uranium necessary to support that capacity.

The parties intend to cooperate under the agreement under terms that will assure

that neither party is placed at an economic disadvantage and that will not adversely affect the scope of cooperation. They also recognize their respective rights to cooperate with other countries or international organizations in a manner that is supportive of the objectives of the NPT.

COVERAGE OF AGREEMENT

The provisions in the agreement shall apply according to their terms when material, equipment, components or information is transferred from the territory of one party to the territory of the other party for peaceful purposes, whether directly or through a third country, after confirmation by the appropriate government authority of both parties that such material, equipment, components or information will be subject to the agreement.

The United States and Egypt shall cooperate in the use of nuclear energy for peaceful purposes in accordance with the provisions of this agreement and their respective applicable treaties, national laws, regulations and license requirements.

The parties shall consult periodically on ways in which their mutual non-proliferation and nuclear energy objectives can best be served. Each party shall endeavor to avoid taking any actions that affect the basis and terms of cooperation under the agreement. If either party intends to undertake any such action, it shall consult with the other party in advance, with a view, *inter alia*, to ascertain whether any amendment to this agreement is required in accordance with the provisions of article 12 of this agreement.

The parties note that the term "source material" shall not be interpreted as applying to ore except as provided for in paragraph (q) of article 2.

The disposition of any special nuclear material which is used in or produced through the use of any material or equipment transferred pursuant to the agreement shall require agreement of the parties as provided for in articles 5 and 6. Notwithstanding articles 5 and 6, in the event either party considers that exceptional circumstances of concern from a non-proliferation standpoint so require, either party may require that the disposition of any such special nuclear material be in a third country agreed to by the parties or, if the United States is prepared to accept such special nuclear material, in the United States. In this event, the parties shall make appropriate implementing arrangements, including, if such disposition is in the United States, appropriate compensation by the United States.

With reference to article 12 the parties recognize that the Government of Egypt has no near-term plans to engage in the introduction of a fast breeder reactor program or to proceed with the recycling of plutonium in thermal reactors. However, it is the intention of the parties to monitor the future international developments in the field of advanced reactor technologies to ascertain whether any such advances are of economic benefit to the Egyptian nuclear power program.

If during the term of this agreement such technological developments show economic benefit to the nuclear power program of the Arab Republic of Egypt through the use of such reactor fuel cycles compared to other alternatives, the agreement may be reviewed and amended as provided for in paragraph 2 of article 12 to permit the transfer of such fuels to the Arab Republic of Egypt provided the parties agree that such use will fully meet their non-proliferation concerns.

The Government of the United States confirms that nothing in the agreement would preclude the Government of the Arab Republic of Egypt from receiving any potential benefits under article V of the Treaty on the Non-Proliferation of Nuclear Weapons in accordance with the obligations and objectives of that treaty and other applicable international agreements.

SELECTION OF FACILITIES

Articles 5 and 6 call for mutual agreement on the selection of facilities in which specified activities are to be performed. Any reprocessing of irradiated source or special nuclear material derived from the equipment or material provided pursuant to the agreement, and any storage or fabrication of the special nuclear material recovered as a result of such reprocessing (other than source material and uranium enriched to less than 20 percent in the isotope 235) will take place in facilities outside the Arab Republic of Egypt, with the disposition of any resulting plutonium to be subject to mutual agreement of the parties. In implementing its rights under these articles to consent to certain activities and to agree upon the selection of facilities, whether in the United States or elsewhere, the Government of the United States will be guided by non-proliferation and safeguards considerations as well as technological and economic developments. The United States will also be guided by its responsibility not unreasonably to withhold its agreement to these activities when its relevant statutory requirements have been met and will not seek to gain any commercial advantages.

PHYSICAL PROTECTION

1. Each country attaches importance to applying adequate physical protection measures to nuclear material, equipment and facilities to protect them against sabotage, diversion or theft. The parties note that the matter of assuring adequate protection of civilian nuclear facilities and related nuclear materials is of great importance to the successful growth of the entire nuclear industry and that the Government of the Arab Republic of Egypt has an important responsibility under the terms of the agreement to assure that the material and equipment subject to the agreement are appropriately protected.

The Government of the United States will assist the Government of the Arab Republic of Egypt in establishing mutually agreed protection arrangements to be applied by the Government of the Arab Republic of Egypt with a view to fulfilling the requirements of article 7. These arrangements would take into account the parties' respective experience and

domestic regulations, as well as the guidelines that have been issued by the IAEA. Such agreed upon levels and measures will form the basis for the fulfillment of the obligations concerning physical protection in the agreement. The United States is prepared to cooperate, through such means as personnel training and authorizing the procurement of needed equipment, in assisting the Arab Republic of Egypt to meet these objectives.

2. With reference to paragraphs 1 and 2 of article 7, while most facilities in the United States provide physical protection comparable to that specified for materials classified as category II and III in the table attached to the Annex, the United States has not completed the necessary rulemaking procedures with respect to physical protection for these materials. Pending completion of the rulemaking procedures, if any proposed recipient of category II or III material transferred pursuant to the agreement does not provide physical protection as a minimum comparable to that set forth in INFCIRC/225/Revision 1, the United States shall so inform the Arab Republic of Egypt prior to shipment of such material and seek interim arrangements satisfactory to both parties.

SAFEGUARDS

If either party knows of circumstances referred to in paragraph 3 of article 9, in conformity with IAEA safeguards principles and procedures, safeguards with the coverage required by paragraph 2 of article 9 and having the following characteristics shall immediately be applicable and included in the arrangements pursuant to paragraph 3 of article 9:

- (a) the review in a timely fashion of the design of any equipment transferred pursuant to the agreement, or of any facility which is to use, fabricate, process or store any material so transferred or any special nuclear material used in or produced through the use of such material or equipment;
- (b) the maintenance and production of records and of relevant reports for the purpose of assisting in ensuring accountability for material transferred pursuant to the agreement and any source or special nuclear material used in or produced through the use of material, equipment or components so transferred; and
- (c) the designation of personnel acceptable to the Arab Republic of Egypt who shall have access to all places and data necessary to account for the material referred to in paragraph (b), to inspect any equipment or facility referred to in paragraph (a), and to install any safeguarding devices and make such independent measurements as may be deemed necessary to account for such material. The Arab Republic of Egypt shall not unreasonably withhold its acceptance of personnel designated by the safeguarding party under this paragraph. Such personnel shall, if the Arab Republic of Egypt or the safeguarding party so requests, be accompanied by personnel of the Arab Republic of Egypt.

These safeguards shall be applied (i) by the IAEA under arrangements between the IAEA and the Arab Republic of Egypt so long as such arrangements are acceptable to the parties, (ii) by a nation or group of nations agreed to by the parties under arrangements be-

tween the nation or group of nations and the Arab Republic of Egypt so long as such arrangements are acceptable to the parties, or (iii) by the United States.

The simultaneous application of safeguards by the IAEA and by another safeguarding party is not anticipated. If such an exceptional situation should occur, the parties will consult with a view to minimizing the duration of any simultaneous application of safeguards.

Upon the request of the United States, the Arab Republic of Egypt will report or permit the IAEA to report to the United States on the status of all inventories of any material subject to paragraph 2 of article 9, and authorize the IAEA to make available to the Government of the United States requested information on the implementation of the applicable safeguards agreement with the IAEA within the scope of United States-Egyptian cooperation under the agreement. With reference to paragraph 3 of article 12, the Government of the United States confirms that information provided to it in confidence by the Government of the Arab Republic of Egypt or the IAEA shall be appropriately protected by the Government of the United States.

The United States undertakes to assist the Arab Republic of Egypt in establishing an efficient national safeguards system including, among other things, material accounting and control.

Due to the serious consequences that may result from the potential implementation of article 11(1), before termination of cooperation the parties will immediately consult to review the situation, including its non-proliferation implications, and ascertain what measures, if any, may be taken to rectify it. The parties recognize that article XII C of the IAEA Statute would be applicable in certain situations described in article 11 of the agreement.

EQUAL TERMS AND CONDITIONS FOR COOPERATION

The Government of the United States confirms that fields of cooperation, terms and conditions accorded by the United States to the Arab Republic of Egypt for cooperation in the peaceful uses of nuclear energy shall be no less favorable in scope and effect than those which may be accorded by the United States to any other non-nuclear weapon state in the Middle East in a peaceful nuclear cooperation agreement. In this connection it is understood that the safeguards required by this agreement shall be no more restrictive than those which may be required in any peaceful nuclear cooperation agreement between the United States and any other state in the region. By entering into this agreement the United States confirms its recognition of the importance of the Arab Republic of Egypt's adherence to the NPT, and its longstanding support of international non-proliferation measures, including establishment of a nuclear weapon free zone in the Middle East. If any situation arises which could increase the risk of proliferation of nuclear weapons, the United States and the Arab Republic of Egypt, at the request of either, shall enter into consultations with respect thereto with a view to maintaining the objectives of the NPT.