NUCLEAR SAFETY

Arrangement Between the
UNITED STATES OF AMERICA
and MEXICO

Signed at Vienna September 19, 2007

with

Addenda

NOTE BY THE DEPARTMENT OF STATE

Pursuant to Public Law 89—497, approved July 8, 1966 (80 Stat. 271; 1 U.S.C. 113)—

". . .the Treaties and Other International Acts Series issued under the authority of the Secretary of State shall be competent evidence . . . of the treaties, international agreements other than treaties, and proclamations by the President of such treaties and international agreements other than treaties, as the case may be, therein contained, in all the courts of law and equity and of maritime jurisdiction, and in all the tribunals and public offices of the United States, and of the several States, without any further proof or authentication thereof."

MEXICO

Nuclear Safety

Arrangement signed at Vienna September 19, 2007;
Entered into force September 19, 2007.
With addenda.

ARRANGEMENT

BETWEEN

THE NUCLEAR REGULATORY COMMISSION
OF THE
UNITED STATES OF AMERICA
(USNRC)

AND

THE COMISION NACIONAL DE SEGURIDAD NUCLEAR
Y SALVAGUARDIAS
OF THE UNITED MEXICAN STATES
(CNSNS)

FOR THE EXCHANGE OF TECHNICAL INFORMATION
AND
COOPERATION IN NUCLEAR SAFETY AND RESEARCH
MATTERS

SEPTEMBER 19, 2007

ARRANGEMENT
BETWEEN
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OF THE
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AND
THE COMISION NACIONAL DE SEGURIDAD NUCLEAR Y SALVAGUARDIAS
OF THE UNITED MEXICAN STATES
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The Nuclear Regulatory Commission of the United States of America (hereinafter called the USNRC) and the *Comision Nacional de Seguridad Nuclear y Salvaguardias* of the United Mexican States (hereinafter called the CNSNS), the two together hereinafter referred to as the Parties;

Having a mutual interest in a continuing exchange of information pertaining to regulatory matters and of standards required or recommended by their organizations for the regulation of safety and environmental impact of nuclear facilities;

Having similarly cooperated under an Arrangement effected by an exchange of letters of July 30 and October 15, 1980, with implementing procedures for The Exchange of Technical Information and Cooperation in Nuclear Safety Matters signed on April 8, 1981;

Having replaced their initial implementing procedures by other implementing procedures signed on September 8 and October 6, 1989;

Having continued that cooperation under an Arrangement for a five-year period on March 5, 1997, and subsequently extended for an additional five-year period on November 12, 2002 , and having indicated their mutual desire to continue the cooperation so established for another five years;

Have agreed as follows:

I. SCOPE OF THE ARRANGEMENT

A. Technical Information Exchange

To the extent that the USNRC and the CNSNS are permitted to do so under the laws, regulations, and policy directives of their respective countries, the Parties will exchange the following types of technical information relating to the regulation safety and environmental impact of designated nuclear facilities and to nuclear safety research programs:

1. Topical reports concerning safety, safeguards, physical security, decommissioning, waste management written by or for one of the Parties as a basis for, or in support of, regulatory decisions and policies.

2. Documents relating to significant licensing actions and safety and environmental decisions affecting nuclear facilities.

3. Detailed documents describing the USNRC process for licensing and regulating certain U.S. facilities designated by the CNSNS as similar to certain facilities being built or planned in Mexico and equivalent documents on such Mexican facilities.

4. Information in the field of confirmatory safety research which the Parties have the right to disclose, either in the possession of one of the Parties or available to it, including nuclear safety information from the technical areas described in Addenda "A" and "B", attached hereto and made a part hereof. Cooperation in these itemized safety research areas may require a separate agreement, as determined to be necessary by the research organizations of one or both of the Parties. Each Party will transmit immediately to the other information concerning research results that requires early attention in the interest of public safety, along with an indication of significant implications.

5. Reports on operating experience, such as reports on nuclear incidents, accidents and shutdowns, and compilations of historical reliability data on components and systems.

6. Regulatory procedures for the safety, safeguards (materials accountancy and control and physical protection), waste management, and environmental impact evaluation of nuclear facilities.

7. Early notification of important events, such as serious operating incidents and government-directed reactor shutdowns, that are of immediate interest to the Parties.

8. Copies of regulatory standards required to be used, or proposed for use, by the regulatory organizations of the Parties.

B. Nuclear Emergency Cooperation

The USNRC and the CNSNS reaffirm the nuclear emergency cooperation obligations undertaken by each of their respective governments, particularly concerning the provision of prompt notification of accidents covered in the International Conventions on Early Notification of a Nuclear Accident and on Assistance in the Case of a Nuclear Accident or Radiological Emergency which were adopted in Vienna September 26, 1986. To facilitate the initial notification and ensuing emergency communication and/or cooperative activities undertaken, the parties agree:

1. To exchange telephone and telefacsimile numbers to be used for emergency communications and to keep these numbers up-to-date,

2. To exchange information related to emergency action levels and emergency response classifications,

3. To exchange information on emergency planning regulations and response organizations.

4. To exchange and update plant and site-specific information on the Laguna Verde reactor for the USNRC and on US facilities designated by the CNSNS.

5. To advise each other of any changes which would modify the scope, content, or timing of emergency communications, and

6. To test communications capabilities on no less than an annual basis.

Applicable international conventions and national laws, policies, and administrative requirements will govern any activities undertaken following the initial notifications with regard to the development/offering of technical advice, the exchange of technical experts, and the provision of equipment or other technical assistance by both parties. Such activities would be decided by the parties on a case-by-case basis.

C. Emergency Exercises

The parties may collaborate on emergency exercises to be conducted, as the parties jointly decide is useful and appropriate. This could include observation of the exercises and participation in their critique.

D. Cooperation in Confirmatory Nuclear Safety Research

The execution of joint programs and projects of confirmatory nuclear safety research and development, or those programs and projects under which activities are divided between the Parties, including the use of test facilities and/or computer programs owned by either Party, will be considered on a case-by-case basis and may be the subject of a separate agreement, if determined to be necessary by the research organizations of one or both of the Parties. When not the subject of a separate agreement, the terms of cooperation

may be established by an exchange of letters between the research organizations of the Parties, and will be subject to the terms and conditions of the present Arrangement. Technical areas specified by such exchanges of letters may be modified subsequently by mutual consent. Temporary assignments of personnel by one Party in the other Party's agency will also be considered on a case-by-case basis and will, in general, require a separate letter of agreement between the research organizations of the Parties.

E. Training and Assignments

Within the limits of available resources and subject to the availability of appropriated funds, the USNRC will endeavor to provide certain training and experience for CNSNS safety personnel. Unless otherwise agreed, costs of salary, allowances, and travel of CNSNS participants will be paid by the CNSNS The following are typical of, but not necessarily restricted to, the kinds of training and experience that may be provided:

1. CNSNS inspector accompaniment of USNRC inspectors on reactor operation and (if available) reactor construction inspections in the U.S., including extended briefings at USNRC regional inspection offices.

2. Participation by CNSNS employees in USNRC staff training courses.

3. Assignment of CNSNS employees for 6-24 month periods within the USNRC staff to work on USNRC staff duties and gain on-the-job experience.

4. Possible training assignments within the radiation control programs of interested USNRC Agreement States.

F. Communications Link

The USNRC and the CNSNS will continue to discuss and make every effort to set up a reliable communications link between them, if the Parties determine that such a link is necessary and appropriate.

G. Plans for Locating Commercial Nuclear Facilities Near the Frontier

Each Party will advise the other promptly of plans under consideration to locate commercial nuclear facilities in the border area, in accordance with provisions of Articles 2, 4, 5, and 6 of the "Agreement Between the United Mexican States and the United States of America on Cooperation for the Protection and Improvement of the Environment in the Border Area," which was signed in La Paz, Baja California, August 14, 1983.

H. Additional Nuclear Safety Advice
To the extent that the documents and other information provided by the USNRC as described in Sections I, A through H, above, are not adequate to meet the CNSNS needs for technical advice, the parties will consult on the best means for fulfilling such needs. The USNRC will attempt, within the limits of appropriated resources and statutory authority, to assist the CNSNS in meeting these needs. For example, within these limits, the USNRC will attempt to meet requests that come through the International Atomic Energy for technical assistance missions to the CNSNS by USNRC safety experts.

II. ADMINISTRATION

A. The exchange of information under this Arrangement will be accomplished through letters, reports, and other documents, and by visits and meetings arranged in advance on a case-by-case basis. Meetings will be held at such times as mutually agreed to review the exchange of information and cooperation under this Arrangement, to recommend revisions to the provisions of the Arrangement, and to discuss topics coming within the scope of the cooperation. The time, place, and agenda for such meetings will be agreed upon in advance. Terms of visits, including their schedules, that take place under the Arrangement, will have the prior approval of the administrators referred to in paragraph II.B.

B. An administrator will be designated by each Party to coordinate its participation in the overall exchange under this Arrangement. The administrators will be the recipients of all documents transmitted under the exchange, including copies of all letters unless otherwise agreed. Within the terms of the exchange, the administrators will be responsible for developing the scope of the exchange, including agreement on the designation of the nuclear energy facilities subject to the exchange, and on specific documents and standards to be exchanged. One or more technical coordinators may be appointed as direct contacts for specific disciplinary areas. These technical coordinators will assure that both administrators receive copies of all transmittals. These detailed arrangements are intended to assure, among other things, that a reasonably balanced exchange giving access to equivalent available information is achieved and maintained.

C. The administrators will determine the number of copies to be provided of the documents exchanged. Each document will be accompanied by an abstract in English, 250 words or less, describing its scope and content.

D. Information furnished by one party to the other under this Arrangement will be accurate to the best knowledge and belief of the party supplying the information. However, the application or use of any information exchanged or transferred between the parties under this Arrangement will be the responsibility of the receiving party, and the transmitting party does not warrant the suitability of such information for any particular use or application. The parties make no warranties, whatsoever, for the ability or suitability of any analytical code or other analytical technique to perform in any manner for any particular purpose, or to accomplish any particular task. The parties accept no liability for damages of any type that may result from the use of their codes or other analytical techniques provided under this Arrangement.

E. Recognizing that some information of the type covered in this Arrangement is not available within the agencies which are Parties to this Arrangement, but is available from other agencies of the governments of the Parties, each Party will assist the other to the maximum extent possible by organizing visits and directing inquiries concerning such information to appropriate agencies of the government concerned. The foregoing will not constitute a commitment of other agencies to furnish such information or to receive such visitors.

F. Nothing contained in this Arrangement will require either Party to take any action which would be inconsistent with its existing laws, regulations, and policy directives. No nuclear information related to proliferation-sensitive technologies will be exchanged under this Arrangement. Should any conflict arise between the terms of this Arrangement and those laws, regulations, and policy directives, the Parties agree to consult before any action is taken.

G. Unless otherwise agreed, all costs resulting from cooperation pursuant to this Arrangement will be the responsibility of the Party that incurs them. The ability of the Parties to carry out their obligations is subject to the appropriated funds by the appropriate governmental authority and to laws and regulations applicable to the Parties.

III. EXCHANGE AND USE OF INFORMATION

A. General

The Parties support the widest possible dissemination of information provided, created or exchanged under this Arrangement, subject to the requirements of each Party's national laws, regulations and policies and the need to protect proprietary and other sensitive/confidential or privileged information, and subject to the provisions of the Intellectual Property Addendum, hereby incorporated into this Arrangement.

B. Definitions

For the purposes of this Arrangement:

1. The term "information" means nuclear energy-related regulatory, safety, safeguards, waste management, scientific, or technical data, including information on results or methods of assessment, research, and any other knowledge provided, created or exchanged under this Arrangement.

2. The term "proprietary information" means information created or exchanged under this Arrangement which contains trade secrets or other privileged or sensitive commercial information (such that the person having the information may derive a commercial benefit from it or may have a commercial advantage over those who do not have it), and may only include information which:

(a) has been held in confidence by its owner;

(b) is of a type which is customarily held in confidence by its owner;

(c) has not been transmitted by the owner to other entities (including the receiving Party), unless it has been transferred on the basis that it be held in confidence;

(d) is not otherwise available to the receiving Party from another source without restrictions on its further dissemination; and

(e) is not already in the possession of the receiving Party.

3. The term "other confidential or privileged information" means non-classified information, other than "proprietary information," which has been transmitted and received in confidence under this Arrangement and is protected from public disclosure under the laws, regulations, or policies of the Party providing the information, or is otherwise restricted by the provider.

C. Marking Procedures for Documentary Proprietary Information

A Party receiving documentary proprietary information pursuant to this Arrangement will respect the privileged nature thereof, provided such proprietary information is clearly marked with the following (or substantially similar) restrictive legend:

This document contains proprietary information furnished in confidence under an Arrangement dated September 19, 2007 between the Nuclear Regulatory Commission of the United States of America and the Comision Nacional de Seguridad Nuclear y Salvaguardias of the United Mexican States and will not be

disseminated outside these organizations, their consultants, contractors, and licensees, and concerned departments and agencies of the Government of the United States and the Government of Mexico without the prior approval of (name of the Transmitting Party). This notice will be marked on each page of any reproduction hereof, in whole or in part. These limitations will automatically terminate when this information is disclosed by the owner without restrictions.

This restrictive legend will be respected by the Parties to this Arrangement. Proprietary information bearing this restrictive legend will not be made public or otherwise disseminated in any manner unspecified or contrary to the terms of this Arrangement without prior written consent of the Transmitting Party. Proprietary information bearing this restrictive legend will not be used by the receiving Party or its contractors and consultants for any commercial purposes without the prior written consent of the Transmitting Party.

D. Dissemination of Documentary Proprietary Information

1. In general proprietary information received under this Arrangement may be disseminated by the receiving Party without prior consent to persons within or employed by the receiving Party, and to concerned government departments and government agencies in the country of the receiving Party, provided:

   a. such dissemination is made on a case-by-case basis to persons or departments and agencies having a legitimate need for the proprietary information; and

   b. such proprietary information shall bear the restrictive legend appearing in Section III.C. of this Arrangement.

2. Proprietary information received under this Arrangement may be disseminated by the receiving Party without prior consent to contractors and consultants of the receiving Party located within the geographical limits of that Parties territory, provided:

   a. that the proprietary information is used by such contractors and consultants only for work within the scope of their contracts with the receiving Party relating to the subject matter of the proprietary information, and shall not be used by such contractors and consultants for any other private commercial purposes; and

   b. that such dissemination is made on a case-by-case basis to contractors and consultants having a legitimate need for the proprietary information and who have executed a non-disclosure agreement; and

c. that such proprietary information shall bear the restrictive legend appearing in Section III. C of this Arrangement

3. With the prior written consent of the Party furnishing proprietary information under this Arrangement, the receiving Party may disseminate such proprietary information more widely than otherwise permitted under the terms set forth in this Arrangement. The Parties will endeavor to grant such approval to the extent permitted by their respective national laws, regulations and policies, provided

a. that the entities receiving proprietary information under Section III.D.3 of this Arrangement, including domestic organizations permitted or licensed by the receiving Party to construct or operate nuclear production or utilization facilities, or to use nuclear materials and radiation sources, have a legitimate need for the proprietary information and have executed a non-disclosure agreement; and

b. that the entities receiving proprietary information under Section III.D.3 of this Arrangement, including domestic organizations permitted or licensed by the receiving Party to construct or operate nuclear production or utilization facilities, shall not use such proprietary information for any private commercial purposes; and

c. that those entities receiving proprietary information under Section III.D.3 of this Arrangement that are domestic organizations permitted or licensed by the receiving Party, agree to use the proprietary information only for activities carried out under or within the terms of their specific permit or license.

E. Marking Procedures for Other Confidential or Privileged Information of a Documentary Nature

A Party receiving under this Arrangement other confidential or privileged information will respect its confidential nature, provided such information is clearly marked so as to indicate its confidential or privileged nature and is accompanied by a statement indicating

1. that the information is protected from public disclosure by the government of the transmitting Party, and

2. that the information is transmitted under the condition that it be maintained in confidence.

F. Dissemination of Other Confidential or Privileged Information of a Documentary Nature

Other confidential or privileged information may be disseminated in the same manner as that set forth in paragraph D., Dissemination of Documentary Proprietary Information.

G. Non-Documentary Proprietary or Other Confidential or Privileged Information

Non-documentary proprietary or other confidential or privileged information provided in seminars and other meetings arranged under this Arrangement, or information arising from attachments of staff, use of facilities, or joint projects, will be treated by the Parties according to the principles specified for documentary information in this Arrangement; provided, however, that the Party communicating such proprietary or other confidential or privileged information has placed the recipient on notice as to the character of the information communicated.

H. Consultation

If, for any reason, one of the Parties becomes aware that it will be, or may reasonably be expected to become, unable to meet the non-dissemination provisions of this Article, it will immediately inform the other Party. The Parties will thereafter consult to define an appropriate course of action.

I. Other

Nothing contained in this Arrangement will preclude a Party from using or disseminating information received without restriction by a Party from sources outside of this Arrangement.

IV. FINAL PROVISIONS

A. This Arrangement will enter into force upon signature and, subject to paragraph B. of this Section, will remain in force for a period of five years. It may be extended for a further period of time by written agreement of the Parties.

B. Either Party may terminate this Arrangement after providing the other Party written notice 180 days prior to its intended date of termination.

C. All information protected by provisions of this Arrangement as proprietary or other confidential or privileged information will remain so protected for the duration of this Arrangement and after this Arrangement has expired or been terminated, unless otherwise specifically agreed by the Parties in writing.

D. Any dispute or questions among the Parties concerning the interpretation or application of this Arrangement arising during its term will be settled by mutual agreement of the Parties.

DONE at Vienna on this 19th day of September 2007, in the English and Spanish languages, both texts being equally authentic.

FOR THE NUCLEAR REGULATORY COMMISSION OF THE UNITED STATES OF AMERICA:

Dale E. Klein, Chairman

FOR THE COMISION NACIONAL DE SEGURIDAD NUCLEAR Y SALVAGUARDIAS OF THE UNITED MEXICAN STATES

Juan Eibenschutz, Director General

Note: At the present time, the Treaty Office does not have the Spanish text of this Arrangement. If the Spanish text becomes available, it will be added to this publication.

ADDENDUM "A"

USNRC –CNSNS Safety Research Exchange
Areas In Which the USNRC Is Performing or Sponsoring Safety Research

1. Reactor Vessel and Piping Integrity
2. Aging of Reactor Components
3. Reactor Equipment Qualification
4. Thermal Hydraulic Code Applications and Maintenance
5. Plant Performance
6. Human Performance
7. Core Melt and Reactor Coolant System Failure
8. Reactor Containment Safety
9. Containment Structural Integrity
10. Seismic Safety
11. Probabilistic Risk Assessment
12. Severe Accident Analysis
13. Radiation Protection and Health Effects
14. Radionuclide Transport and Waste Management
15. Nuclear Fuel Analysis
16. Dry Cask Storage and Transport
17. Decommissioning
18. Advanced Reactor Designs
19. Fire Protection

ADDENDUM "B"

USNRC – CNSNS Nuclear Safety Research Exchange Areas
in Which the CNSNS is Performing or Sponsoring Safety Research

1. Transient Analysis
2. Reactor Fuel and Coolant Behavior Analysis
3. Evaluation and Applications of Integral and Best Estimate Codes for Severe Accident Analysis
4. Development of the Basis for Severe Accident Management Guidelines
5. PSA for Low Power and Shutdown
6. Containment Response Analysis
7. PSA Applications
8. PSA for Radioactive Installations
9. Integral Safety Margins Assessment

INTELLECTUAL PROPERTY ADDENDUM

Pursuant to Section III of this Arrangement:

The Parties shall ensure adequate and effective protection of intellectual property created or furnished under this Arrangement and relevant implementing arrangements. The Parties agree to notify one another in a timely fashion of any inventions or copyrighted works arising under this Arrangement and to seek protection for such intellectual property in a timely fashion. Rights to such intellectual property shall be allocated as provided in this Addendum.

I. SCOPE

1. This Addendum is applicable to all cooperative activities undertaken pursuant to this Arrangement, except as otherwise specifically agreed by the Parties or their designees.

2. For purposes of this Arrangement, "intellectual property" shall mean the subject matter listed in Article 2 of the Convention Establishing the World Intellectual Property Organization, done at Stockholm, July 14, 1967 and may include other subject matter as agreed by the Parties.

3. This Addendum addresses the allocation of rights, interests, and royalties between the Parties. Each Party shall ensure that the other Party can obtain rights to intellectual property allocated in accordance with the Addendum by obtaining those rights from its own participants through contracts or other legal means, if necessary. This Addendum does not otherwise alter or prejudice the allocation between a Party and its nationals, which shall be determined by that Party's laws and practices.

4. Disputes concerning intellectual property arising under this Arrangement should be resolved through discussions between the concerned participating institutions or, if necessary, the Parties or their designees. Upon mutual agreement of the Parties, a dispute shall be submitted to an arbitral tribunal for binding arbitration in accordance with the applicable rules of international law. Unless the Parties or their designees agree otherwise in writing, the arbitration rules of the United Nations Commission on International Trade Law (UNCITRAL) shall govern.

5. Termination or expiration of this Arrangement shall not affect rights or obligations under this Addendum.

II. ALLOCATION OF RIGHTS

1. Each party shall be entitled to a non-exclusive, irrevocable, royalty-free license in all countries to translate, reproduce, and publicly distribute scientific and technical journal articles, reports, and books directly arising from cooperation under this Arrangement. All publicly distributed copies of copyrighted work prepared under this provision shall indicate the names of the authors of the work unless an author explicitly declines to be named.

2. Rights to all forms of intellectual property, other than those rights described in Section II.1., above, shall be allocated as follows:

   a. Visiting researchers, for example, scientists visiting primarily in furtherance of their education, shall receive intellectual property rights under the policies of the host institution. In addition, each visiting researcher named as an inventor shall be entitled to share in a portion of any royalties earned by the host institution from the licensing of such intellectual property.

   b. (1) For intellectual property created during joint research, for example, when the Parties, participating institutions, or participating personnel have agreed in advance on the scope of work, each Party shall be entitled to obtain all rights and interests in its own country. Rights and interests in third countries will be determined in implementing arrangements. If research is not designated as "joint research," rights to intellectual property arising from the research will be allocated in accordance with paragraph II.2.a., above. In addition, each person named as an inventor shall be entitled to share in a portion of any royalties earned by either institution from the licensing of the property.

      (2) Notwithstanding paragraph II.2.b. (1), above, if a type of intellectual property is available under the laws of one Party but not of the other Party, the Party whose laws provide for this type of protection shall be entitled to all rights and interests worldwide. Persons named as inventors of the property shall nonetheless be entitled to royalties as provided in paragraph II.2.b. (1), above.