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This document consists of 17 pages
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THIS AGREEMENT, made as of the _____ day of June, 1955,
between the United States Atomic Energy Commission and the
Atomic Energy Control Board of Canada:

WITNESSETH THAT the parties agree as follows:

The security safeguards and standards set forth in the
Appendix are the security arrangements between the parties in
effect on the date of this Agreement and concerning informa-
tion and materials, including equipment and devices, relating
to civil uses of atomic energy.

IN WITNESS WHEREOF, the parties hereto have caused this
Agreement to be executed pursuant to duly constituted authority.

UNITED STATES ATOMIC ENERGY COMMISSION

Chairman

ATOMIC ENERGY CONTROL BOARD OF CANADA

Chairman

THIS DOCUMENT HAS BEEN DECLASSIFIED UNDER
THE PROVISIONS OF EO 12958, DATED 4/17/95
By Authority of Cheney 2632
(Declassification Authority/Number)
Date of Declassification 10/22/98

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APPENDIX

I. Personnel Security

- A. The United States Atomic Energy Commission (USAEC) and the Atomic Energy Control Board of Canada (Control Board), agree that it shall be their respective policies to afford access to classified information only to those persons whose reliability has been sufficiently established to permit a determination by responsible Government authority that their being afforded such access will not endanger the national security.
- B. The USAEC and the Control Board agree that prior to affording access to classified information:
1. A determination of eligibility (decision to grant security clearance) for each individual to be afforded such access shall be made by a responsible Government authority.
 2. This determination shall be made after an investigation concerning the individual's character, associations, and loyalty has been conducted by a responsible Government authority and the information thus developed has been related to criteria for determining eligibility as set forth in Annex A. These criteria are subject to continuing review by the parties and may be revised from time to time by agreement as experience and circumstances may make desirable.
 3. The minimum scope and extent of such investigations shall be related to the nature and significance of the access to be afforded in accordance with standards attached as Annex B.

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4. In addition to the determination of eligibility for access to classified information, the individual's duties shall require his being afforded the information or material.

- C. Effective liaison shall be maintained between the national agencies responsible for national security and the agency responsible for the clearance determination and program execution to assure prompt notification of information with derogatory implications developed subsequent to the grant of security clearance. To further assure the security of the project, a program for selective reinvestigation of the individuals afforded access shall be prosecuted.
- D. The highest Executive Officer of the Agency responsible for security matters in the Atomic Energy Program in either Nation (i.e., in the United States, the General Manager of the Atomic Energy Commission, or in Canada, the Security Officer of the Atomic Energy Control Board presently the Vice-President, Administration and Operations, of Atomic Energy of Canada Limited) or the policy making body responsible for security in the Atomic Energy Program (i.e., in the United States, the Atomic Energy Commission, or in Canada, the Atomic Energy Control Board) may, upon a determination that such action is clearly consistent with the national interest, permit an individual to be afforded access to classified information prior to completion of appropriate investigation.

II. Physical Security

- A. The USAEC and the Control Board agree to afford physical protection against sabotage, espionage, unauthorized access or any other hostile activity to all classified

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information and material and such protection shall be commensurate with the importance of the security interest.

- B. The Physical Security Program shall be implemented by establishing security areas with relationship to the sensitivity of activity; by controlling access to these areas; by protecting the properties and materials on hand for immediate use and in storage or in transit; and by facilitating freedom of movement for operating activities.
- C. Security areas shall be established to delimit premises so as to provide effective application of protective measures. They shall be established for those activities which, because of their classification, reveal characteristics, or sensitivity and importance require restrictions on access and cannot otherwise be properly safeguarded. Perimeter barriers (natural or structural) where required shall be sufficient to prevent or materially impede access by unauthorized persons.
- D. All persons permitted entry to security areas shall be admitted only in accordance with an adequate system of control. This system shall embody procedures for authorization by competent authority, accurate methods of personnel identification, accountability for identification media, and a means of enforcing any limitations of movement or access within security areas.
- E. The Parties agree to maintain document and information control programs which have for their basic purposes:
1. classification in strict accordance with the sensitivity of the information;
 2. the control of access;
 3. ready accountability;

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4. continuous review for purposes of downgrading or declassification; and

5. destruction upon service of purpose.

Minimum standards for such purposes are attached as Annex C.

F. Documents containing classified information shall be exchanged through diplomatic pouch or other mutually acceptable means; encipherment or encoding of messages shall be through mutually acceptable services; and materials shall be exchanged under appropriate security conditions, the specific methods to be determined by mutual agreement.

G. The Parties recognize that the responsibility for the maintenance of security will rest at several Executive and Administrative levels. However, it is agreed that this shall not in any way relieve each person afforded access of his individual responsibility. Accordingly, it shall be the policy of the respective Parties to use all reasonable means to insure that all individuals having access to classified information under this Agreement shall be informed as to, and shall understand, the security regulations and procedures. To assure achievement of this objective, the Parties agree to maintain security education programs which shall include as a minimum:

1. initial indoctrination and orientation instruction;
2. periodic re-emphasis of individual responsibility;

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3. termination interview to emphasize the continuing responsibility for the protection of classified information.

III. Other

A. Security Assurance

It is recognized that exchange of information shall cause individuals in the United States program to visit Canada and vice versa. In furtherance of this activity, the Parties agree to furnish (in advance) to responsible authority of the Nation to be visited, an assurance in writing, that the visitor has been found eligible for access to classified information in the sponsoring country and shall identify the kind of security clearance granted the individual and the scope of the investigation upon which the clearance determination was based. In addition to this assurance, the following data shall be furnished:

1. full name (not initials) of the visitor;
2. date and place of birth;
3. citizenship;
4. current residence address;
5. official title or description of official position.

B. Security of Classified Contracts

Every classified contract, subcontract, agency license or consultant agreement, entered into by either party to this agreement, shall contain appropriate clauses imposing obligations to abide by the security regulations of the appropriate party to this agreement.

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C. Continuing Review of Security System

The Parties recognize that effective and prompt implementation of the security policies can be materially advanced through reciprocal visits of security personnel. Accordingly, it is agreed to continue thorough exchange of views relative to security policies, standards and procedures and to permit respective security working groups to examine and view at first hand the implementing procedures of the Agencies responsible for the administration of the atomic energy programs, such action to be undertaken with a view to achieving an understanding of adequacy and reasonable comparability of the respective systems.

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ANNEX "A" TO APPENDIX

CRITERIA FOR DETERMINING ELIGIBILITY FOR SECURITY CLEARANCE

Category (A) Derogatory Information. Category A includes those classes of derogatory information which establish a presumption of security risk. It includes those cases in which there are grounds sufficient to establish a reasonable belief that the individual or his spouse has:

1. Committed or attempted to commit, or aided or abetted another who committed or attempted to commit, any act of sabotage, espionage, treason or sedition;

2. Established an association with espionage or sabotage agents of a foreign nation; with individuals reliably reported as suspected of espionage or sabotage; with representatives of foreign nations whose interest may be inimical to the interests of the Nation (ordinarily this would not include chance or casual meetings; nor contacts limited to normal business or official relations); with traitors, seditionists, anarchists, or revolutionists.

3. Held membership in, or affiliation or sympathetic association with any organization or group which has in the United States been declared by the Attorney General, or in Canada has been determined by competent Government authority to be Totalitarian, Fascist, Communist, subversive, or as having adopted a policy of advocating or approving the commission of acts of force or violence to deny others their rights under the constitution of the Nation, or as seeking to alter the form of the Government of the Nation by unconstitutional means, provided the individual did not withdraw from such membership when the organization was so identified, or otherwise establish his

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rejection of its subversive aims; or prior to such declaration or determination, participated in the activities of such an organization in a capacity where he should reasonably have had knowledge as to the subversive aims or purposes of the organization.

4. Publicly or privately advocated revolution by force or violence to overthrow the Government of the Nation or the alteration of the form of Government of the Nation by unconstitutional means.

5. Refused, upon the grounds of constitutional or statutory privilege against self-incrimination, to testify before a court or congressional or Parliamentary committee regarding charges of his alleged disloyalty or other misconduct.

Category A also includes those cases in which there are grounds sufficient to establish a reasonable belief that the individual has:

6. Deliberately omitted significant information from or falsified a Personnel Security Questionnaire or Personal History Statement. In many cases, it may be fair to conclude that such omission or falsification was deliberate if the information omitted or misrepresented is unfavorable to the individual;

7. Violated or disregarded security regulations to a degree which would endanger the common defense or security; intentionally and without authorization disclosed to any person classified information or other information, disclosure of which is prohibited by law, or wilfully violated or disregarded security regulations;

8. Been adjudged insane, been legally committed to an insane asylum, been or is being treated for serious mental or neurological disorder, without evidence of cure;

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9. Been convicted of felonies indicating habitual criminal tendencies;

10. Been, or who is, addicted to the use of alcohol or drugs habitually and to excess, without adequate evidence of rehabilitation;

11. Performed or attempted to perform his duties, or otherwise acted, so as to serve the interests of another government in preference to the interests of the Nation.

Category (B) Derogatory Information. Category B includes those classes of derogatory information where the extent of activities and the attitude and convictions of the individual must be weighed in determining whether a presumption of security risk exists. It includes those cases in which there are grounds sufficient to establish a reasonable belief that with respect to the individual or his spouse there is:

1. Sympathetic interest in Totalitarian, Fascist, Communist or other subversive political ideologies;

2. A sympathetic association established with members of the Communist party; or with leading members of any organization set forth in Category (A), paragraph 3, above, (ordinarily, this will not include chance or casual meetings, nor contacts limited to normal business or official relations).

3. Identification with an organization established as a front for otherwise subversive groups or interests when the personal views of the individual are sympathetic to or coincide with subversive "lines";

4. Identification with an organization known to be infiltrated with members of subversive groups when there is also information as to other activities of the individual which establishes the probability that he may be a part of or sympathetic

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to the infiltrating element, or when he has personal views which are sympathetic to or coincide with subversive "lines";

5. Residence of the individual's spouse, parent(s), brother(s), sisters(s), or offspring in a nation whose interests may be inimical to the interests of the Nation, or in satellites or occupied areas thereof, when the personal views or activities of the individual subject of the investigation are sympathetic to or coincide with subversive "lines" (to be evaluated in the light of the risk that pressure applied through such close relatives could force the individual to reveal sensitive information or perform an act of sabotage).

6. Close continuing association with individuals (friends, relatives or other associates), who have subversive interests and associations as defined in any of the foregoing types of derogatory information. A close continuing association may be deemed to exist if:

- (1) Subject lives at the same premises with such individual;
- (2) Subject visits such individual frequently;
- (3) Subject communicates frequently with such individual by any means.

7. Association where the individuals have enjoyed a very close, continuing association such as is described above for some period of time, and then have been separated by distance; provided the circumstances indicate that a renewal of contact is probable.

Category (B) also includes those cases in which there are grounds sufficient to establish a reasonable belief that with respect to the individual there is:

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8. Conscientious objection to service in the Armed Forces during time of war, when such objections cannot be clearly shown to be due to religious convictions;

9. Manifest tendencies demonstrating unreliability or inability to keep important matters confidential, wilful or gross carelessness in revealing or disclosing to any unauthorized person restricted data or other classified matter pertaining to projects of any governmental agency of either Nation; abuse of trust, dishonesty, sexual perversion; homosexuality, infamous, immoral, or notoriously disgraceful misconduct.

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ANNEX "B" TO APPENDIX

Standards for Scope and Extent of Investigation

1. The USAEC and the Control Board shall have two kinds of security clearance for access to classified information. One shall be called "L" and other "Q".

2. The determination to grant security clearance "L" shall be based on the results of a comprehensive national agency check. The determination to grant security clearance "Q" shall be based on the results of a full field investigation.

3. Access to information classified no higher than "Confidential" may be afforded an individual following grant of "L" clearance. Additionally, visual access to buildings and equipment classified "Secret" may be afforded craft or manual workers, community management or service workers, nurses, medical technicians, cafeteria workers, health and safety workers, purchasing and accounting workers and the like who are employed in classified construction or operations areas. Any other individual afforded any type access to information classified higher than "Confidential" shall have been granted "Q" security clearance. Notwithstanding the provisions of this paragraph, access to classified information may be afforded to personnel of the military establishments of the two governments and their contractors who have been granted comparable military clearance.

4. Definitions.

a. National Agency Check means inquiry relative to an individual's character, associations, and loyalty through:

1. Check of arrest records (through medium of fingerprints or other adequate procedure.)

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2. Check of appropriate national agency investigative, criminal, intelligence and subversive files.

b. Full Field Investigation means inquiry relative to an individual's character, associations, and loyalty through:

1. a national agency check as above described.
2. open inquiry into the background of the individual.

These inquiries shall be conducted in person and shall include interviews with references and inquiries in the neighborhood in which the person resides and has resided. The period covered shall be the adult life span of the individual. Included in the coverage shall be the development of material facts relative to education; experience; periods of unemployment; self-employment; foreign employment; dismissals from employment; mental and emotional stability; character; habits; morals; arrests; marital status; health; citizenship; military service; date and place of birth; and organization membership.

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ANNEX "C" TO APPENDIX

CONTROL OF CLASSIFIED INFORMATION

1. Classification.

Information or material shall be classified strictly in accordance with agreed classification policies.

The authority to classify shall be granted to the minimum number of individuals at the highest administrative level consistent with operational requirements and individuals so authorized shall be held strictly accountable for accuracy. In the interest of uniformity, the following special rules shall be observed:

- a. Documents shall be classified according to their own content and not necessarily according to their relationship to other documents.
- b. The classification of a file or group of physically connected documents shall be at least as high as that of the most highly classified document therein.
- c. Documents shall bear only one over-all classification, notwithstanding that pages, paragraphs, sections, or components thereof bear different classifications, and the over-all classification shall be as high as the highest classified component.

2. Access.

Access to classified information shall be restricted to those individuals who require the information in the performance of their duties and who have been granted appropriate security clearance. Should such individual need to retain possession of classified documents, he shall have adequate facilities for their storage and protection. To assure these controls, procedures covering the following shall be established:

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a. Master Reference Index.

Appropriate records of the current security clearance status of individuals and whether they are possessed of approved storage facilities shall be maintained.

b. Marking of Documents and Material.

Classified documents and material shall be conspicuously marked in such manner that their classifications will be clearly visible and readily recognizable. Whenever the information or material is declassified, downgraded or upgraded, equally prominent and appropriate marking shall appear.

c. Storage.

Except when in authorized transit, the possession or use of classified information shall be limited to locations where approved facilities for storage exist. Except during the periods when such information is in use by authorized personnel, it shall be stored in repositories of approved design and construction.

d. Transmission (intra-Nation).

Transmission of classified documents within the respective national boundaries shall be by courier or registered mail.

e. Loss or Compromise.

Any person having knowledge of the loss or possible compromise of classified information exchanged under this agreement shall promptly report the circumstances to a designated official, and the latter shall take appropriate action forthwith, including advice to the originating nation.

3. Accountability

Documents classified higher than "Confidential" exchanged under this agreement shall be maintained in accountability by

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assignment of accountability numbers and transfers effected by receipt.

4. Downgrading or Declassification

There will be periodic review of classified documents for the purpose of downgrading and declassification in accordance with agreed classification policies.

5. Destruction

- a. Upon service of purpose, documents exchanged under this agreement shall be destroyed and as required accountability records will reflect such action.
- b. Work sheets, carbon paper, stenographer's notes, imperfect copies and similar material which warrants classification shall be safeguarded in the manner prescribed for documents of the same classification, until destroyed.

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JUNE 1955

Document No. TIDC/RSB 197-8
This document consists of 16 pages
No. 1 of 1 copies, Series A

AGREEMENT FOR COOPERATION
CONCERNING CIVIL USES OF ATOMIC ENERGY
BETWEEN THE GOVERNMENT OF THE UNITED STATES OF AMERICA
AND THE GOVERNMENT OF CANADA

PREAMBLE

The Government of Canada, through its wholly-owned corporations, Eldorado Mining and Refining Limited and Atomic Energy of Canada Limited, and the Government of the United States of America, represented by the United States Atomic Energy Commission (hereinafter referred to as the "Commission"), have for several years been engaged in atomic energy programs within their respective countries and from the inception of these programs have collaborated closely in certain areas. The principal objective of Canada's atomic energy program is the civil use of atomic energy and, in particular, the use of atomic energy as a source of electric energy. The objective of the atomic energy program in the United States is twofold: (1) the use of atomic energy for peaceful purposes, and (2) the use of atomic energy for defense purposes. There exists a unique tradition of cooperation between Canada and the United States. Based on similar national interests, this cooperation produces special industrial and economic inter-relationships. Consequently, progress in each country toward the full benefits of the peaceful uses of atomic energy will be accelerated through an arrangement which is consistent with the cooperation existing in other areas. Accordingly, the Government of Canada and the Government of the United States of America, the parties to this Agreement, agree, as provided herein, to assist each other in the achievement of the objectives of their

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respective atomic energy programs to the extent such assistance is relevant to current or projected programs and subject to applicable laws of the respective governments and the availability of material and personnel. While for the present and for the foreseeable future priority of materials and personnel must be given to defense needs, an increasing number of opportunities exist for the development of the peaceful applications of atomic energy. It is expressly understood that the design, fabrication, disposition, or utilization of atomic weapons are outside the scope of this Agreement.

ARTICLE I - Period of Agreement

This Agreement shall come into force on _____ and shall remain in force for a period of ten years.

ARTICLE II - Exchange of Information

Classified and unclassified information will be exchanged between the Commission and the appropriate agencies of the Government of Canada with respect to the application of atomic energy to peaceful uses, including research and development relating thereto, and including problems of health and safety. There are set forth in this Article the specific fields in which classified information will be exchanged. The exchange of information provided for in this Article will be accomplished through the various means available, including reports, conferences, and visits to facilities.

A. Limitations

Of the information which is classified, only that relevant to current or projected programs will be exchanged. The parties to the Agreement will not exchange Restricted Data under this Agreement

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which, in the opinion of either country, is primarily of military significance, or exchange Restricted Data relating to the design or fabrication of atomic weapons. Within the subject matter of this Agreement, the parties may come into possession of privately developed and privately owned information and information received from other governments which the parties are not permitted to exchange.

It is mutually understood and agreed that, except as limitations are stated to apply specifically to one party or the other, any limitations to cooperation imposed pursuant to this Agreement shall be reciprocal.

B. Reactors

(1) Information on the development, design, construction, operation and use of research, production, experimental power, demonstration power, and power reactors, except as provided in Paragraph A and (2) and (3) of this paragraph.

(2) The development of submarine, ship, aircraft, and certain package power reactors is presently concerned primarily with their military uses. Accordingly, it is agreed that the parties to this Agreement will not communicate to each other Restricted Data pertaining primarily to such reactors, until such time as these types of reactors warrant civil application, and as the exchange of information on these types of reactors may be mutually agreed. Restricted Data pertaining to the adaptation of these types of reactors to military use, however, will not be exchanged. Likewise, the parties to the Agreement will not exchange Restricted Data pertaining primarily to any future reactor-types the development of which may be concerned primarily with their military use, until such time as these types of reactors warrant civil application and as exchange of

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information on these types of reactors may be mutually agreed; and Restricted Data pertaining to the adaptation of these types of reactors to military use will not be exchanged.

(3) It is agreed that neither of the parties to this Agreement will exchange Restricted Data on any specific production, experimental power, demonstration power, and power reactor, unless that type of reactor is being operated currently by the other party, or is being considered seriously for construction by the other party as a source of power or as an intermediate step in a power production program. There will, however, be exchanged such general information on design and characteristics of various types of reactors as is required to permit evaluation and comparison of their potential use in a power production program.

C. Source Materials

Geology, exploration techniques, chemistry and technology of extracting uranium and thorium from their ores and concentrates, the chemistry, production technology, and techniques of purification and fabrication of uranium and thorium compounds and metals, including design, construction and operation of plants, except as provided in Paragraph A.

D. Materials

(1) Physical, chemical and nuclear properties of all elements, compounds, alloys, mixtures, special nuclear materials, by-product material, other radioisotopes, and stable isotopes and their behavior under various conditions, except as provided in Paragraph A.

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(2) Technology of production and utilization, from laboratory experimentation and theory of production up to pilot plant operations (but not including design and operation of pilot plants and full scale plants, except as may be agreed), of all elements, compounds, alloys, mixtures, special nuclear material, by-product material, other radioisotopes, and stable isotopes, relevant to and subject to the limitations of Paragraph B, E and F of this Article, except as provided in Paragraph A and (a), (b), (c) and (d) of this subparagraph.

(a) The Commission will not communicate Restricted Data pertaining to design, construction and operation of production plants for the separation of U-235 from other uranium isotopes. The Commission, however, will supply the Government of Canada with uranium enriched in U-235 as provided in Article III A and Article VI.

(b) The Commission will not communicate Restricted Data on the design, construction and operation of specific production plants for the separation of deuterium from the other isotope of hydrogen until such time as the Government of Canada shall determine that the construction of such plants is required. The Commission will, however, supply the Government of Canada with heavy water as provided in Article III A and Article VI.

(c) No Restricted Data will be exchanged pertaining to the design, construction and operation of production plants for the separation of isotopes of any other element, except as may be agreed

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(d) No Restricted Data will be exchanged pertaining to the underlying principles, theory, design, construction and operation of facilities, other than reactors, capable of producing significant quantities of isotopes by means of nuclear reactions, except as may be agreed.

E. Health and Safety

The entire field of health and safety as related to this Article. In addition, those problems of health and safety which affect the individual, his environment, and the civilian population as a whole and which arise from nuclear explosion (excluding such tests data as would permit the determination of the yield of any specific weapon or nuclear device and excluding any information relating to the design or fabrication of any weapon or nuclear device), and except as provided in Paragraph A.

F. Instruments, Instrumentation and Devices

Development, design, manufacture, and use of equipment and devices of use in connection with the subjects of agreed exchange of information provided in this Article, except as provided in Paragraph A.

ARTICLE III - Research Materials and Research Facilities

A. Research Materials

Materials of interest in connection with the subjects of agreed exchange of information as provided in Article II, and under the limitations set forth therein, including source materials, special nuclear materials, by-product material, other radioisotopes, and stable isotopes, will be

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exchanged for research purposes in such quantities and under such terms and conditions as may be agreed, except as provided in Article VII, when such materials are not available commercially. These materials for non-research purposes may be supplied by one party of this Agreement to the other as provided in Article VI.

B. Research Facilities

Under such terms and conditions as may be agreed, and to the extent as may be agreed, specialized research facilities and reactor testing facilities will be made available for mutual use consistent with the limits of space, facilities and personnel conveniently available, except that it is understood that the Commission will not be able to permit access by Canadian personnel to facilities which, in the opinion of the Commission, are primarily of military significance.

ARTICLE IV - Transfer of Equipment and Devices

With respect to the subjects of agreed exchange of information as provided in Article II, and under the limitations set forth therein, equipment and devices may be transferred from one party to the other to the extent and under such terms and conditions as may be agreed, except as provided in Article VII. It is recognized that such transfers will be subject to limitations which may arise from shortages of supplies or other circumstances existing at the time.

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ARTICLE V - Other Arrangements for Materials,
including Equipment and Devices,
and Services

It is contemplated that, as provided in this Article, private individuals and private organizations in either the United States or Canada may deal directly with private individuals and private organizations in the other country. Accordingly, with respect to the subjects of agreed exchange of information as provided in Article II, and under the limitations set forth therein, persons under the jurisdiction of either the Government of the United States of America or the Government of Canada will be permitted to make arrangements to transfer and export materials, including equipment and devices, to and perform services for the other government and such persons under the jurisdiction of the other government as are authorized by the other government to receive and possess such materials and utilize such services, subject to:

- (a) The limitation in Article VII;
- (b) Applicable laws, regulations and license requirements of the Government of the United States of America and the Government of Canada.
- (c) The approval of the government to which the person is subject when the materials or services are classified or when the furnishing of such materials and services requires the communication of classified information.

ARTICLE VI - Non-Research Quantities of Materials

A. The Commission will sell to Atomic Energy of Canada Limited, a wholly-owned corporation of the Government of Canada, under such terms and conditions as may be agreed, such quantities of uranium enriched in the isotope U-235 as may be required in the power reactor program in Canada during this period, subject to any limitations in connection with the quantities of such

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material available for such distribution by the Commission during any year, and subject to the limitation that the quantity of uranium enriched in the isotope U-235 of weapon quality in the possession of Atomic Energy of Canada Limited by reason of transfer under this Agreement shall not, in the opinion of the Commission, be of military significance. It is agreed that the uranium enriched in the Isotope U-235 which the Commission will sell to Atomic Energy of Canada Limited under this Article will be limited to uranium enriched in the isotope U-235 up to a maximum of 20 percent U-235. It is understood and agreed that, although Atomic Energy of Canada Limited intends to distribute uranium enriched in the isotope U-235 to authorized users in Canada, Atomic Energy of Canada Limited will retain title to any uranium enriched in the isotope U-235 which is purchased from the Commission until such time as private users in the United States are permitted to acquire title to uranium enriched in the isotope U-235.

The Government of Canada, or its appropriate agent, will give to the Commission a first refusal of any special nuclear materials which the Government of Canada may desire to transfer outside of Canada, where such special nuclear materials have been produced from the irradiation of fuel elements enriched with U-235 purchased from the Commission under the terms of this Agreement.

In addition, any special nuclear material transferred by Atomic Energy of Canada Limited to the United States may be retransferred to Canada on such terms and conditions as may be agreed.

B. The Commission will continue the present understanding with Atomic Energy of Canada Limited, a wholly-owned corporation of the Government of Canada, covering the sale of uranium of normal isotopic composition for use in the NRX and NRU reactors.

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The Commission will also sell to Atomic Energy of Canada Limited such quantities of uranium of normal isotopic composition, and to the extent practical in such form, as may be required for the power reactor program in Canada and under such terms and conditions as may be agreed, subject to the availability of supply and the needs of the United States program.

C. The Commission will continue the present understanding with the Atomic Energy of Canada Limited, a wholly-owned corporation of the Government of Canada, covering the sale of heavy water for use in the NRX and NRU reactors. The Commission will also sell to Atomic Energy of Canada Limited, under such terms and conditions as may be agreed, such quantities of heavy water as may be required in the power reactor program in Canada, subject to the availability of supply and the needs of the United States program.

D. It is understood and agreed that the existing contract between the Commission and Atomic Energy of Canada Limited relating to the sale of plutonium, and extensions thereof, will continue in full force and effect.

E. Collaboration between the two countries in the field of raw materials has resulted in the development of substantial uranium production in Canada which has been made available to the United States under agreements and contracts now in effect. These agreements and contracts shall remain in full force and effect except as modified or revised by mutual agreement.

F. As may be necessary and as mutually agreed in connection with the subjects of agreed exchange of information as provided in Article II, and under the limitations set forth therein, specific arrangements may be made from time to time between the parties for lease or sale and purchase of non-research quantities of other materials under such terms and conditions as may be mutually agreed, except as provided in Article VII.

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ARTICLE VII - Materials and Facilities Primarily
of Military Significance

The Commission will not transfer any materials under Article III A or Article VI F and will not transfer or permit the export of any materials or equipment and devices under Article IV and Article V if such materials, equipment or devices are in the opinion of the Commission primarily of military significance.

ARTICLE VIII - Classification Policies

The Governments of the United States of America and Canada agree that mutually agreed classification policies shall be maintained with respect to all information, and materials, including equipment and devices, exchanged under this Agreement. In addition, the parties intend to continue the present practice of periodic consultation with each other on the classification of atomic energy information.

ARTICLE IX - Patents

A. With respect to any invention or discovery employing information which has been communicated hereunder and made or conceived thereafter during the period of this Agreement, and in which invention or discovery rights are owned by the Government of Canada or by the Government of the United States or an agency or corporation owned or controlled by either, each party:

(1) Agrees to transfer and assign to the other all right, title, and interest in and to any such invention, discovery, patent application or patent in the country of the other, to the extent owned, subject to a royalty-free, non-exclusive, irrevocable license for its own governmental purposes and for purposes of mutual defense.

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(2) Shall retain all right, title, and interest in and to any such invention, discovery, patent application or patent in its own or third countries but will, upon request of the other party, grant to the other party a royalty-free, non-exclusive, irrevocable license for its own governmental purposes in such countries including use in the production of materials in such countries for sale to the other party by a contractor of such other party. Each party may deal with any such invention, discovery, patent application or patent in its own country and all countries other than that of the other party as it may desire, but in no event shall either party discriminate against citizens of the other country in respect of granting any license under the patents owned by it in its own or any other country.

(3) Waives any and all claims against the other party for compensation, royalty or award as respects any such invention or discovery, patent application or patent and releases the other party with respect to any such claim.

B. (1) No patent application with respect to any classified invention or discovery made or conceived during the period of this Agreement in connection with subject matter communicated hereunder may be filed by either party except in accordance with mutually agreed upon conditions and procedure.

(2) No patent application with respect to any such classified invention or discovery may be filed in any country not a party to this Agreement except as may be mutually agreed and subject to Article X.

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(3) Appropriate secrecy or prohibition orders will be issued for the purpose of effectuating this provision.

ARTICLE X - Security

A. The Governments of the United States of America and Canada have adopted similar security safeguards and standards in connection with their respective atomic energy programs. The two governments agree that all classified information and material, including equipment and devices, within the scope of this Agreement, will be safeguarded in accordance with the security safeguards and standards prescribed by the security arrangement between the Commission and the Atomic Energy Control Board of Canada in effect on June _____, 1955.

B. It is agreed that the recipient party of any material, including equipment and devices, and of any classified information under this Agreement, shall not further disseminate such information, or transfer such material, including equipment and devices, to any other country without the written consent of the originating country. It is further agreed that neither party to this Agreement will transfer to any other country any equipment or device, the transfer of which would involve the disclosure of any classified information received from the other party, without the written consent of such other party.

ARTICLE XI - Guaranties Prescribed by
the United States Atomic
Energy Act of 1954

The Government of Canada guaranties that:

A. The security safeguards and standards prescribed by the security arrangements between the Commission and the Atomic Energy Control Board of Canada in effect on June _____, 1955 will be

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maintained with respect to all classified information and materials, including equipment and devices, exchanged under this Agreement.

B. No material, including equipment and devices, transferred to the Government of Canada or authorized persons under its jurisdiction by purchase or otherwise pursuant to this Agreement will be used for atomic weapons, or for research on or development of atomic weapons, or for any other military purpose.

C. No material, including equipment and devices, or any Restricted Data transferred to the Government of Canada or authorized persons under its jurisdiction pursuant to this Agreement will be transferred to unauthorized persons or beyond the jurisdiction of the Government of Canada, except as the Commission may agree to such a transfer to another nation, and then only if the transfer of the material or Restricted Data is within the scope of an Agreement for Cooperation between the United States and the other nation.

ARTICLE XII - Guaranties by the Government
of the United States of America

The Government of the United States of America guaranties that:

A. The security safeguards and standards prescribed by the security arrangements between the Commission and the Atomic Energy Control Board of Canada in effect on June _____, 1955 will be maintained with respect to all classified information and materials, including equipment and devices, exchanged under this Agreement.

B. No material, including equipment and devices, or any Restricted Data transferred to the Government of the United States or authorized persons under its jurisdiction pursuant to this

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Agreement, will be transferred to unauthorized persons or beyond the jurisdiction of the Government of the United States of America, except as the Government of Canada may agree to such a transfer to another nation.

ARTICLE XIII - Statement Concerning Construction
of Article II A and B (2) and
Article XI B

Article II A and B (2) and Article XI B shall not be construed to prevent the Government of Canada from selling materials produced in its reactors to the Government of the United States for defense use or from making available, to the extent the Government of Canada may agree to do so, its reactor testing facilities for use by the Government of the United States in connection with the defense aspects of atomic energy.

ARTICLE XIV - Definitions

For purposes of this Agreement:

A. "Classified" means a security designation of "Confidential" or higher applied under the laws and regulations of either Canada or the United States to any data, information, materials, services or any other matter, and includes "Restricted Data".

B. "Equipment and devices" means any instrument, apparatus or facility, and includes production facilities and utilization facilities and component parts thereof.

C. "Person" means any individual, corporation, partnership, firm, association, trust, estate, public or private institution, group, government agency or government corporation, but does not include the parties to this Agreement.

D. "Pilot Plant" means a device operated to acquire specific data for the design of a full-scale plant and which utilizes the

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process, or a portion thereof, and the type of equipment which would be used in a full-scale production plant.

E. "Reactor" means an apparatus, other than an atomic weapon, in which a self-supporting fission chain reaction is maintained by utilizing uranium or plutonium, or any combination of uranium and plutonium isotopes.

F. The terms "production facilities", "utilization facilities", "source materials", "special nuclear materials", "byproduct material", "Restricted Data", and "atomic weapon" are used in this Agreement as defined in the United States Atomic Energy Act of 1954.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed pursuant to duly constituted authority.

DONE AT _____ in duplicate this _____ day of
June, 1955.

FOR THE GOVERNMENT OF THE UNITED STATES OF AMERICA:

FOR THE GOVERNMENT OF CANADA:

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