

**MEMORANDUM OF UNDERSTANDING
BETWEEN
THE AMERICAN INSTITUTE IN TAIWAN
AND
THE TAIPEI ECONOMIC AND CULTURAL REPRESENTATIVE OFFICE
IN THE UNITED STATES
CONCERNING
COOPERATION TO PREVENT THE ILLICIT TRAFFICKING IN
NUCLEAR AND OTHER RADIOACTIVE MATERIAL**

The American Institute in Taiwan (AIT) and the Taipei Economic and Cultural Representative Office in the United States (TECRO), hereinafter referred to as the "Participants",

Desiring to strengthen international nuclear and radiological security through improvements in cargo security and in measures to prevent illicit trafficking of nuclear and other radioactive material;

Being convinced of a need to detect, deter, and where necessary, to interdict illicit trafficking in nuclear and other radioactive material;

Recognizing the high volume of trade between seaports in the territories of the authorities represented by AIT and TECRO, and the role of the ports in the territory of the authorities represented by TECRO as intermodal transport hubs for cargo originating in many countries;

Noting the U.S. Container Security Initiative, which is designed to safeguard global maritime trade by enhancing cooperation at seaports worldwide to identify and examine high-risk containers and ensure their in-transit security; and

Noting further the Declaration of Principles between the American Institute in Taiwan (AIT) and the Taipei Economic and Cultural Representative Office in the United States (TECRO) Governing Cooperation, on the Basis of Reciprocity, Including the Posting of AIT Representatives at the Port of Kaohsiung, and Posting of TECRO Representatives at Certain U.S. Seaports, signed August 18, 2004,

Have reached the following understanding:

USA 827-2

I. SCOPE OF COOPERATION

1. AIT, through its designated representative, the Department of Energy/National Nuclear Security Administration (DOE/NNSA), may provide technical assistance to TECRO, through its designated representative, the Taiwan Customs Administration (TCA), in the form of equipment and materials, as well as training and services, for use of TECRO's designated representative TCA at the Port of Kaohsiung and other seaports in the territory of the authorities represented by TECRO as jointly determined by the Participants through their designated representatives, for the purpose of detecting and interdicting illicit trafficking in nuclear and other radioactive material.

For purposes of this Memorandum of Understanding (MOU), "special nuclear material" means plutonium, and uranium enriched to 20% or more in the isotope U-235. "Other radioactive material" includes, but is not limited to, radioactive sources suitable for use in radiological dispersal devices.

2. The technical assistance provided by AIT through its designated representative DOE/NNSA may include:
 - a. delivery and installation at terminal facilities in the Port of Kaohsiung and other seaports in the territory of the authorities represented by TECRO, as the Participants through their designated representatives jointly determine, of equipment adapted as appropriate for customs control conditions (including testing, setup and demonstration of the equipment);
 - b. delivery of spare parts kits, test equipment and other maintenance equipment to maintain reliable functioning of the equipment;
 - c. training of TECRO designated representative TCA personnel and other appropriate personnel in the detection of special nuclear material and other radioactive material, and in the proper use and maintenance of equipment provided by AIT through its designated representative DOE/NNSA;
 - d. support for maintenance of the equipment provided under this MOU, as set forth in a maintenance and sustainability plan jointly determined by the Participants through their designated representatives; and
 - e. additional areas of cooperation of mutual interest to AIT and TECRO as indicated through their designated representatives.
3. Upon reasonable request, representatives of AIT's designated representative DOE/NNSA may make technical evaluations of the equipment supplied under this MOU for a period of three years starting from the deployment date of the equipment.
4. AIT, through its designated representative DOE/NNSA, and TECRO, through its designated representative TCA, may conduct technical workshops, consultations, site

surveys, technical evaluations and acceptance testing of materials and installed equipment. Joint working groups of technical experts may be formed to exchange technical information and to make proposals on technical and training matters to ensure the effective implementation of this MOU.

5. The terms of any technical assistance provided under this MOU are expected to be set forth in written arrangements between the Participants.
6. TECRO, through its designated representative TCA, should endeavor to ensure that equipment and materials provided under this MOU are afforded priority processing to allow prompt engineering approvals, and equipment and materials deliveries to their ultimate destination in the territory of the authorities represented by TECRO.

II. PROVISION OF INFORMATION

TECRO, through its designated representative TCA, should furnish representatives of AIT in Kaohsiung, in a format and according to a schedule to be determined by the Participants (through their designated representatives DOE/NNSA and TCA), with data on detections or seizures of special nuclear material and of other radioactive material made as a result of the use of the equipment and materials supplied under the MOU.

III. NON-TRANSFER, NON-DISCLOSURE

1. Information obtained by either authority of the territories represented by AIT and TECRO as a result of the technical assessment and implementation of cooperation under this MOU should not be disclosed to a third party without the prior consent of the other authority.
2. Unless the written consent of AIT (through its designated representative DOE/NNSA) has first been obtained, neither TECRO nor its designated representative TCA should transfer title to, or possession of, any equipment provided pursuant to this MOU.

IV. TAX AND CUSTOMS TREATMENT OF EQUIPMENT

It is understood that neither AIT's designated representative DOE/NNSA nor contractors of AIT's designated representative DOE/NNSA, are to pay any taxes, duties or other charges on equipment, materials, training or services provided under this MOU.

V. GENERAL PROVISION

All activities under this MOU should be carried out in accordance with the laws and regulations of the authorities of the territories represented by AIT and TECRO.

VI. EFFECTIVE DATE AND TERMINATION

Implementation of this MOU may begin upon signature by both Participants. The MOU may be modified in writing by the Participants' mutual consent. Any such modification may take effect upon signature by the Participants. If either Participant wishes to end its cooperation under the MOU, it should endeavor to provide at least 90 days' advance written notice to the other Participant and its designated representative.

Signed at ^{Washington,} D.C. this 25th day of May, 2006, in duplicate.

FOR THE AMERICAN INSTITUTE IN
TAIWAN:

Robert J. Schuy
Managing Director

FOR THE TAIPEI ECONOMIC AND
CULTURAL REPRESENTATIVE
OFFICE IN THE UNITED STATES:

David P. Tu
Representative