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AGREEMENT
BETWEEN
THE AMERICAN INSTITUTE IN TAIWAN
AND
THE TAIPEI ECONOMIC AND CULTURAL REPRESENTATIVE OFFICE
IN THE UNITED STATES
RELATING TO
PARTICIPATION IN THE UNITED STATES NUCLEAR REGULATORY COMMISSION
PROGRAM
OF SEVERE ACCIDENT RESEARCH

WHEREAS subject to the availability of personnel, material, and appropriated funds, the U.S. Nuclear Regulatory Commission (hereinafter referred to as "USNRC"), operating as the designated representative of the American Institute in Taiwan (hereinafter referred to as "AIT"), is carrying out programs of research into the effects of severe accidents on nuclear power reactors;

WHEREAS the Taipei Economic and Cultural Representative Office in the United States (hereinafter referred to as "TECRO") has an interest in access to information which has been developed and continues to arise from these programs and wishes to collaborate with AIT by exchanges of reports and data and by sponsoring the assignment of individuals to these programs;

Considering that the AIT and TECRO, hereinafter referred to as the Parties:

1. Have a mutual interest in cooperation in the field of severe accident safety research with the objective of improving and thus ensuring the safety of civilian nuclear installations on an international basis;
2. Recognize a need to equitably share both the resources resulting from this research and the effort required to develop those resources;
3. Have cooperated in this program under an Agreement between AIT and the Coordination Council for North American Affairs (CCNAA) and, since January 1, 2000 with TECRO, its succeeding organization, for the past three years. This Agreement constitutes a renewal for an additional three years.

They have therefore AGREED as follows:

ARTICLE I - PROGRAM COOPERATION

The Parties, in accordance with the provisions of this Agreement and subject to applicable laws and regulations in force in the territories they represent, have agreed to renew this Agreement for another three years.

ARTICLE II - FORMS OF COOPERATION

Cooperation between the Parties through their designated representatives may take the following forms:

- A. Exchange of information in the form of technical reports, experimental data, correspondence, newsletters, visits, joint meetings, and such other means as the Parties agree.
- B. Temporary assignment of personnel of the designated representative of one Party or of the designated representative's contractors to the laboratory or facilities owned by the designated representative of the other Party or in which the designated representative of the other Party sponsors research. Each assignment will be considered on a case-by-case basis and may be the subject of a separate attachment-of-staff arrangement between the Parties.
- C. Execution of joint programs and projects, including those involving a division of activities between the designated representatives of Parties. Each joint program and project will be considered on a case-by-case basis and may be the subject of a separate agreement, if determined to be necessary by either of the Parties to this Agreement or their designated representatives. Otherwise, it will be accomplished by the exchange of letters between the designated representatives of the Parties, subject at least to the terms and conditions of this present Agreement.
- D. Use by the designated representative of one Party of facilities that are owned by or in which research is being sponsored by the designated representative of the other Party. Use of facilities may be subject to commercial terms and conditions.
- E. If a Party or its designated representative wishes to visit, assign personnel, or use the facilities owned or operated by entities other than the Parties to this Agreement or their designated representatives, the Parties recognize that prior approval of such entities will in general be required by the Receiving Party or its designated representative.
- F. Any other form agreed between the Parties.

ARTICLE III - SCOPE OF AGREEMENT

A. AIT Scope of Responsibility

Subject to the availability of appropriated funds, the designated representatives of AIT shall provide over the duration of this Agreement the following specified goods and services related to the USNRC severe accident safety research program specified in Appendix A.

Within the above guidelines and subject to TECRO financial contributions as indicated in Article VI, the designated representative of AIT will provide the designated representatives of TECRO with the following:

- Copies of all pertinent technical program documents such as quick-look reports, technical memoranda and notes, and laboratory reports as soon as they have received appropriate management review by the designated representatives of AIT.
- On request, make available to TECRO through their designated representatives the computer codes specified in Appendix A and related documentation developed under this program and accommodate reasonable requests for assistance in the installation of these codes in the computation system of the designated representative of TECRO, including consultation on resolving problems encountered by personnel using these codes sponsored by the designated representatives of TECRO.
- Permit personnel sponsored by the designated representatives of TECRO to participate in technical review meetings and technical progress meetings except for those meetings primarily concerned with administrative and fiscal matters.
- Facilitate visits by personnel sponsored by the designated representatives of TECRO to sites at which work relevant to the objective is being carried out.
- Permit the assignment of personnel sponsored by the designated representatives of TECRO to visit or work in the designated representative of AIT's program on severe accident research and to have full and ready access to relevant documentation, codes and results as described above.
- Permit the invited designated representative experts of AIT to visit TECRO's designated representative to make presentations on specific topics and/or review on-going work in the area of severe accident research.

B. TECRO Scope of Responsibility

Subject to the availability of appropriated funds, the designated representatives of TECRO shall provide, over the duration of this Agreement, the following specified goods and services related to the nuclear reactor safety research areas specified in this Agreement.

1. Severe Accident Research Program

The designated representatives of TECRO will participate in the designated representatives of AIT's severe accident program and future related programs in this area of nuclear safety research. The designated representatives of TECRO will be considered a full partner in this international program upon making financial contributions as indicated in Article VI.

Assessments will be done by the designated representatives of TECRO or the designated representative's contractors in applications of severe accident codes received from the designated representatives of AIT under the scope of this Agreement. The assessments will consist of applications done on experimental facilities at which the designated representative of TECRO has access to and/or in nuclear power plants on Taiwan.

To the extent possible, the designated representative of TECRO will provide the designated representative of AIT with the results of the collaboration resulting from the designated representatives of TECRO's severe accident research corresponding to technical areas under the scope of this Agreement.

ARTICLE IV - ADMINISTRATION OF THE AGREEMENT

- A.** The designated representatives of AIT and TECRO will each name/appoint an Administrator to coordinate and determine the detailed implementation of this Agreement. These Administrators may, at their discretion, delegate this responsibility to the appropriate technical staff with respect to a given issue.
- B.** The Agreement states restrictions concerning dissemination of proprietary, confidential, or privileged information. Other information that may be restricted includes matters related to organization, budget, personnel, or management.
- C.** The designated representatives of AIT and TECRO will endeavor to select technical personnel for assignment to these cooperative programs who can contribute positively to the programs. The designated technical personnel assigned for extended periods will be considered visiting scientists (non-salaried) within the programs in this Agreement and will be expected to participate in the conduct of the analysis and/or experiments as necessary.
- D.** Each Party to this Agreement and their designated representatives will have access to all reports written by technical personnel of the other Party's designated representative

assigned to the respective programs that derive from the first Party's participation in those programs.

- E. Travel costs, living expenses, and salaries will be borne by the Parties who incurred them unless specified otherwise.

ARTICLE V - EXCHANGE AND USE OF INFORMATION AND INTELLECTUAL PROPERTY

A. General

The Parties support the widest possible dissemination of information provided or exchanged under this Agreement, subject both to the need to protect proprietary or other confidential or privileged information as may be exchanged hereunder, and to the provisions of the Intellectual Property Addendum, which is an integral part of this Agreement.

B. Definitions (As used in this Agreement)

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 intended to be provided or exchanged under this Agreement.
2. The term "proprietary information" means information created or made available under this Agreement which contains trade secrets or other privileged or confidential commercial information (such that the person having the information may derive an economic benefit from it or may have a competitive 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 or its designated representative) except on the basis that it be held in confidence;
 - d. is not otherwise available to the receiving Party or its designated representative from another source without restriction on its further dissemination; and
 - e. is not already in the possession of the receiving Party or its designated representative.
3. The term "other confidential or privileged information" means information, other than "proprietary information," which has been transmitted and received in confidence and which is protected from public disclosure under the laws and regulations of the territory represented by the Party providing the information.

C. Marking Procedures for Documentary Proprietary Information

A Party receiving documentary proprietary information pursuant to this Agreement 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 Agreement dated _____ between the American Institute in Taiwan and the Taipei Economic and Cultural Representative Office and will not be disseminated outside these organizations, their designated representatives, consultants, contractors, and licensees, and concerned departments and agencies of the authorities in the territories represented by the AIT and TECRO without the prior approval of (name of transmitting Party). This notice shall be marked on any reproduction hereof, in whole or in part. These limitations will automatically terminate when this information is disclosed by the owner without restriction."

This restrictive legend shall be respected by the receiving Party and proprietary information bearing this legend will not be used for commercial purposes, made public, or disseminated in any manner unspecified by or contrary to the terms of this Agreement without the consent of the transmitting Party.

D. Dissemination of Documentary Proprietary Information

1. In general, proprietary information received under this Agreement may be freely disseminated by the receiving Party without prior consent to persons within or employed by the receiving Party, and to concerned authorities in the territory represented by the receiving Party.
2. In addition, proprietary information may be disseminated without prior consent:
 - a. to prime or subcontractors or consultants of the receiving Party or its designated representative located within the geographical limits of the territory represented by that Party for use only within the scope of work of their contracts with the receiving Party in work relating to the subject matter of the proprietary information;
 - b. to domestic organizations permitted or licensed by the authorities of the territory represented by the receiving Party to construct or operate nuclear production or utilization facilities, or to use nuclear materials and radiation sources, provided that such proprietary information is used only within the terms of the permit or license; and
 - c. to domestic contractors of organizations identified in D.2.b., above, for use only in work within the scope of the permit or license granted to such organizations;

Provided that any dissemination of proprietary information under D.2.a., b., and c., above, shall be on an as-needed, case-by-case basis, shall be pursuant to an

agreement of confidentiality, and shall be marked with a restrictive legend substantially similar to that appearing in C. above.

3. With the prior written consent of the Party furnishing proprietary information under this Agreement, the receiving Party may disseminate such proprietary information more widely than otherwise permitted in subsections 1. and 2. The Parties will cooperate in developing procedures for requesting and obtaining approval for such wider dissemination, and each Party will grant such approval to the extent permitted by its policies, regulations, and laws.

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

A Party receiving under this Agreement 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 authorities of the territory represented by the transmitting Party or their designated representative; 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 Agreement, or information arising from the attachments of staff, use of facilities, or joint projects, shall be treated by the Parties according to the principles specified for documentary information in this Agreement; provided, however, that the Party or designated representative 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 Agreement, it will immediately inform the other Party. The Parties shall thereafter consult to define an appropriate course of action.

I Other

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

ARTICLE VI - FINANCIAL CONSIDERATIONS

In addition to the technical contributions indicated under Article III.B, TECRO will contribute financially to AIT and its designated representative's program described in this Agreement. Specifically, TECRO will contribute \$35,000 USD per year for three years through AIT to the Cooperative Severe Accident Research Program. The first payment is to be made upon signature for calendar year 2003. Successive payments are to be made on or before the last day of June of each year.

ARTICLE VII - DISPUTES AND WARRANTY OF INFORMATION

- A. All costs arising from implementation of this Agreement will be borne by the Party or designated representative that incurs them except when specifically agreed to otherwise. It is understood that the ability of the Parties and their designated representative to carry out their obligations is subject to the availability of funds.
- B. Cooperation under this Agreement will be in accordance with the laws and regulations of the respective territories represented by AIT and TECRO. Any dispute or questions, between the Parties concerning the interpretation or application of this Agreement arising during its term shall be settled by mutual agreement of the Parties.
- C. Information furnished by one Party to the other under this Agreement 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 Agreement will be the responsibility of the Party receiving the information, and the transmitting Party does not warrant the suitability of the information for any particular use or application.
- D. The AIT and the designated representative make no warranties, whatsoever, for the ability or suitability of any code or other analytical technique to perform in any particular manner for any particular purpose, or to accomplish any particular task. The AIT and its designated representative do not accept liability for damages of any type that may result from the use of codes or other analytical techniques provided under this Agreement.

ARTICLE VIII - FINAL PROVISIONS

- A. This Agreement shall enter into force upon signature with effect from January 1, 2003 and will remain in force for a period of three years. All information protected by provisions of this Agreement as proprietary, confidential, privileged, or otherwise subject

to restriction on disclosure will remain so protected indefinitely, unless mutually agreed to in writing.

- B. Either Party may withdraw from the present Agreement after providing the other Party written notice at least 180 days prior to its intended date of withdrawal. The Party not withdrawing shall reserve the right to determine if the withdrawal will result in the other Party receiving a disproportionate share of the expected benefit from this Agreement. If so, both Parties will endeavor to reach an equitable settlement of the matter through negotiation.
- C. The Parties to this Agreement reserve the right to modify or extend the specific activities described in Article III within the intended scope of the Agreement upon written concurrence of its Administrators or their designated representatives.
- D. The designated representatives of AIT and TECRO recognize the benefits of international cooperation and will endeavor to obtain a mutually agreeable continuation of this Agreement before its expiration.
- E. All AIT designated representative's computer codes disseminated under this Agreement are to be considered privileged information unless otherwise noted, are protected as such by the designated representatives of AIT, and shall be treated likewise by the designated representatives of TECRO. They are, in particular, subject to all the provisions of this Article including the requirements for an agreement of confidentiality (Article V) prior to dissemination, with the exception that they need not be marked with the restrictive designation. The codes are subject to this protection in both object and source forms and as recorded in any media.

The AIT's designated representative's codes and other related analytical techniques covered under this Agreement and any improvements, modifications or updates to such codes or techniques are for the purpose of reactor and plant systems safety research and licensing and will not be used for commercial purposes, or for other benefits not related to the study of reactor safety without the prior consent of AIT's designated representative.

Among the code uses that will be permitted under this Agreement are those related to research in the reactor safety area and analyses performed by the Parties or their contractors that can assist regulators and plant personnel in assessing the safety of the plant, analyzing operating events, and training operators. Specific examples of permitted analyses include: design basis accidents (e.g., loss-of-coolant-accidents), anticipated transients, accident management and emergency operating procedures, mid-loop operation, analysis to support PRA success criteria, power upgrades and reload.

Prohibited uses of the code include: (1) analyses to develop a new reactor design and (2) analyses to support power upgrades and reload in the territory represented by AIT, unless performed by a subsidiary of AIT's designated representative.

AIT's designated representative's codes and other related analytical techniques will not be advertised directly or by implication to obtain contracts related to the construction or servicing of nuclear facilities, nor will advertising imply that the AIT's designated representative has endorsed any particular analyses or techniques.

In witness whereof, the Parties have hereto executed this Agreement.

FOR THE AMERICAN INSTITUTE IN
TAIWAN:

BY: Burt G. Schy

TITLE: Deputy Managing Director

DATE: 5/15/03

PLACE: Washington, D.C.

FOR THE TAIPEI ECONOMIC AND
CULTURAL REPRESENTATIVE OFFICE:

BY: Su Chen-hsiang

TITLE: Deputy Representative

DATE: 8/8/03

PLACE: Washington, D.C.

APPENDIX A

AIT AND DESIGNATED REPRESENTATIVE SEVERE ACCIDENT RESEARCH PROGRAM AREAS

1. Integrated Severe Accident Code
 - MELCOR code development, assessment, and maintenance
 - MELCOR Cooperative Assessment Program (MCAP)

2. Detailed In-Vessel Analysis Code
 - SCDAP/RELAP 5 code can be made available upon request

INTELLECTUAL PROPERTY ADDENDUM

Pursuant to Article V of this Agreement:

AIT and TECRO shall ensure adequate and effective protection of intellectual property created or furnished under this Agreement and relevant implementing arrangements. AIT and TECRO agree through their designated representatives to notify one another in a timely fashion of any inventions or copyrighted works arising under this Agreement 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

- A. This Addendum is applicable to all cooperative activities undertaken pursuant to this Agreement, except as otherwise specifically agreed by AIT and TECRO through their designees.
- B. For purposes of this Agreement, "intellectual property" shall have the meaning found in Article 2 of the Convention Establishing the World Intellectual Property Organization, done at Stockholm, July 14, 1967; viz., 'intellectual property' shall include the rights relating to:
- literary, artistic and scientific works,
 - performances of artists, phonograms, and broadcasts,
 - inventions in all fields of human endeavor,
 - scientific discoveries,
 - industrial designs,
 - trademarks, service marks, and commercial names and designations,
 - protection against unfair competition,

and all other rights resulting from intellectual activity in the industrial, scientific, literary or artistic fields.

- C. This Addendum addresses the allocation of rights, interests, and royalties between AIT and TECRO and their designated representatives. Acting through their designated representatives, AIT and TECRO 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:
- AIT and nationals of the territory represented by AIT which shall be determined by the laws and practices applicable in that territory or
 - TECRO and nationals of the territory represented by TECRO which shall be determined by laws and practices applicable in that territory.

(b) Notwithstanding paragraph II.B.2.(a), if a type of intellectual property is available under the laws of the territory represented by AIT but not under the laws and practices applicable in the territory represented by TECRO, the designated representative of AIT shall be entitled to all rights and interests worldwide. Notwithstanding paragraph II.B.2.(a), if a type of intellectual property is available under the laws and practices applicable in the territory represented by TECRO but not under the laws of the territory represented by AIT, the designated representative of TECRO 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.B.2.(a).