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**AGREEMENT BETWEEN
THE GOVERNMENT OF THE UNITED STATES OF AMERICA
AND
THE GOVERNMENT OF THE RUSSIAN FEDERATION
REGARDING COOPERATION IN THE AREA OF NUCLEAR MATERIAL PHYSICAL PROTECTION,
CONTROL AND ACCOUNTING**

The Government of the United States of America and the Government of the Russian Federation, hereinafter referred to as the Parties,

ACKNOWLEDGING the importance of strengthening the nuclear weapons nonproliferation regime through the improvement of systems of physical protection, control and accounting of nuclear materials (hereinafter referred to as MPC&A);

TAKING INTO ACCOUNT the considerable growth in cooperation in MPC&A between the Parties, including the increase in the technical exchanges between the relevant scientific centers of the United States of America and the Russian Federation;

AFFIRMING their commitment to continue successful cooperation in MPC&A;

NOTING the Convention on Physical Protection of Nuclear Materials of March 3, 1980;

TAKING INTO ACCOUNT the recommendations of the IAEA in the area of physical protection of nuclear materials;

ATTACHING important significance to strengthening MPC&A cooperation between the Parties in view of implementation of current and future agreements in the nuclear arms reduction area;

BELIEVING that the increase of the efficiency of MPC&A is a contribution to the efforts to prevent illicit trafficking in nuclear materials;

HAVE AGREED AS FOLLOWS:

ARTICLE I

1. This Agreement and all activities undertaken in accordance with this Agreement shall be subject to and governed by the provisions of the Agreement Between the United States of America and the Russian Federation Concerning the Safe and Secure Transportation, Storage and Destruction of Weapons and the Prevention of Weapons Proliferation of June 17, 1992, as extended and amended by the Protocol signed on June 15 and 16, 1999 (hereinafter referred to as the 1992 Agreement).

2. The Parties may cooperate in the following areas:

a. The further development of existing national programs of MPC&A;

b. The improvement of systems of MPC&A, including those related to the transportation of nuclear materials;

c. Furnishing modern systems of MPC&A as well as appropriate equipment and instruments to facilities of the Russian Federation where direct-use nuclear materials are located;

d. Prevention of illicit trafficking in nuclear materials; and

4.

e. Such other areas of cooperation within the scope of this Agreement, as the Parties may agree upon in writing.

ARTICLE II

The Parties may cooperate on upgrading MPC&A, including of highly enriched uranium and separated plutonium, at mutually agreed facilities located on the territory of the Russian Federation.

ARTICLE III

1. Notwithstanding the provisions of Article III of the 1992 Agreement:

a. The Executive Agent for the Russian Party for implementation of this Agreement shall be the Ministry of the Russian Federation for Atomic Energy.

b. The Executive Agent for the U.S. Party for implementation of this Agreement shall be the United States Department of Energy.

c. Each Party shall have the right to change its Executive Agent, or designate additional Executive Agents. Such decisions shall enter into force 30 days after written notice to the other Party.

2. The Executive Agents may involve other ministries or agencies, laboratories, facilities and organizations in the joint cooperation to implement this agreement.

3. The Parties shall establish a Joint Coordinating Committee (JCC). Each Party shall designate its members on the JCC. The Co-chairmen of the JCC shall be representatives of the Parties' Executive Agents. Meetings of the JCC shall be convened periodically upon agreement of the Co-Chairmen of the JCC but not less than once a year, alternately in the United States of America and in the Russian Federation unless otherwise agreed. Decisions of the JCC shall be made on the basis of consensus. The responsibilities of the JCC shall include:

a. To develop Joint Action Plans, recommendations and appropriate implementing agreements and mechanisms to facilitate coordination and implementation of activities under this Agreement;

b. To review implementation of the provisions of this Agreement and to resolve issues that may arise in the course of its implementation;

c. To discuss and to draft, if necessary, recommendations to the Parties concerning amendments to this Agreement as well as proposals to the Parties for resolving disputes that are not resolved at the JCC level.

ARTICLE IV

1. To facilitate the effective fulfillment of work done under this Agreement, and in accordance with the legislation of the Russian Federation, the Russian Party shall take all necessary measures to permit

access of representatives of the U.S. Party at those locations at the facilities where activities related to this Agreement are being conducted.

2. If access to such locations at the facilities referenced in, and for the purposes described in, Paragraph 1 of this Article is restricted by the legislation of the Russian Federation, the Executive Agents shall jointly develop alternative flexible, nonintrusive and mutually acceptable methods that do not require access by the representatives of the U.S. Party.

ARTICLE V

1. Under this Agreement, no or United States classified information or Russian Federation state secret information shall be exchanged.

2. The information transmitted under this Agreement or developed as a result of its implementation and considered by the U.S. party as "sensitive" or by the Russian Party as "konfidentsialnaya" must be clearly designated and marked as such.

3. "Sensitive" or "konfidentsialnaya" information shall be handled in accordance with the laws of the state of the Party receiving the information, and this information shall not be disclosed and shall not be transmitted to a third party not participating in the implementation of this agreement without the written consent of the Party transmitting such information.

a. According to the laws and regulations of the Russian Federation, such information shall be treated as "limited-distribution official information." This information shall be protected in accordance with the laws of the Russian Federation.

b. According to the laws and regulations of the United States, such information shall be treated as "foreign government information," provided in confidence. Such information shall be protected in accordance with the laws and regulations of the United States of America.

4. Information transmitted under this Agreement must be used solely in conformance with this Agreement.

5. The Parties shall minimize the number of persons having access to information which is designated "sensitive" or "konfidentsialnaya" information in accordance with Paragraph 2 of this Article.

ARTICLE VI

The Parties shall ensure the effective protection and allocation of rights to intellectual property transferred or created under this Agreement, as set forth in this Agreement and in the Annex, which is an integral part of this Agreement.

ARTICLE VII

1. The Russian Party shall ensure that the support or assistance provided in accordance with this Agreement is used solely for the purposes of effectively implementing MPC&A.

2. The U.S. Party and its representatives shall have the right to carry out quality assurance activities through access to those locations at the facilities where MPC&A activities are being conducted.

3. The Parties' Executive Agents shall develop appropriate arrangements for ensuring the effectiveness of all work performed within the framework of this Agreement.

ARTICLE VIII

1. Joint activities in accordance with this Agreement may be supported by funds and in-kind contributions of equipment, materials, and labor provided on a non-reimbursable basis by the U.S. Party in addition to the resources being appropriated by the Russian Party for the purposes of improvement of MPC&A in the Russian Federation, and resources received by the Russian Federation directly from other sources.
2. In all cases, the activities of the United States of America and the financial support it provides under this Agreement are subject to the availability of appropriated funds.
3. In all cases, the activities of the Russian Party and the financial support it provides under this Agreement are subject to the availability of appropriated funds.

ARTICLE IX

The U.S. Party and/or its designated representatives may purchase equipment, materials, or services in the Russian Federation for purposes of this Agreement.

ARTICLE X

1. This Agreement shall be applied provisionally from the date of signature, and shall enter into force upon entry into force of the Protocol signed on June 15 and 16, 1999. This Agreement shall remain in force so long as the 1992 Agreement remains in force.
2. This Agreement may be amended after the date of signature or extended by the written agreement of the Parties
3. This Agreement may be terminated by either party 90 days after giving written notification to the other party of its intention to do so.

Done at MOSCOW, this 2nd day of October, 1999, in two copies, each in the English and Russian languages, both texts being equally authentic.

[Yevgeniy Adamov]	[Bill Richardson]
FOR THE	FOR THE
GOVERNMENT OF THE	GOVERNMENT OF THE
RUSSIAN FEDERATION	UNITED STATES OF
	AMERICA

**ANNEX
TO THE AGREEMENT BETWEEN
THE GOVERNMENT OF THE UNITED STATES OF AMERICA
AND
THE GOVERNMENT OF THE RUSSIAN FEDERATION
REGARDING COOPERATION IN THE AREA
OF
NUCLEAR MATERIAL PHYSICAL PROTECTION,
CONTROL AND ACCOUNTING**

The Parties shall ensure adequate and effective protection of intellectual property created or furnished under this Agreement and relevant implementing agreements. The Parties agree to notify one another in a timely fashion of all intellectual property created and results of scientific and technical work obtained under this Agreement and to seek protection for such intellectual property in a timely fashion. Rights to such intellectual property shall be allocated in keeping with the provisions of this Annex.

I. Definitions

- A. The term "intellectual property" shall have the meaning found in Article 2 of the Convention Establishing the World Intellectual Property Organization, which was signed in Stockholm on July 14, 1967.
- B. The term "participants" shall mean natural persons or legal entities participating in joint activities within the framework of implementation of this Agreement.
- C. The term "background intellectual property" shall mean intellectual property created outside this Agreement belonging to the participants, the use of which is necessary for the implementation of activities under the Agreement.

II. Scope

- A. This Annex is applicable to all cooperative activities undertaken pursuant to this Agreement, except as otherwise agreed by the Parties or their Executive Agents.
- B. This Annex addresses the allocation of intellectual property rights and takes into consideration the interests of the Parties.
- C. Each Party shall ensure that the other Party can obtain the rights to intellectual property allocated in accordance with this Annex. If necessary each Party shall obtain those rights from its own participants through contracts, license agreements or other legal documents. This Annex does not in any other way alter or prejudice the allocation of rights between a Party and its participants.
- D. Disputes concerning intellectual property arising under this Agreement shall be resolved through discussions between the participants, or, if necessary, the Parties or their Executive Agents, which may in this context utilize the Joint Coordinating Committee. Upon mutual agreement of the Parties or participants, a dispute shall be submitted to an arbitral tribunal for binding arbitration in accordance with the Agreement and the applicable rules of international law. Until such time as the Parties or their participants have agreed otherwise in writing, they shall be governed by arbitral rules.

III. Allocation of Rights

A. Each Party, its Executive Agent or other authorized representative designated by a Party shall be entitled to a nonexclusive, irrevocable, royalty-free license for non-commercial purposes in all countries to translate, reproduce, and publicly distribute scientific and technical journal articles, papers, reports, and books directly resulting from cooperation under this Agreement. All publicly distributed copies of a copyrighted work prepared under this provision shall indicate the names of the authors of the work unless an author explicitly expresses the desire to remain anonymous.

B. Rights to all forms of intellectual property created under this Agreement, other than those rights described in Section III.A above, shall be allocated as follows:

1. For intellectual property created during joint research, for example, if the Parties or their participants have agreed in advance on the scope of work, each Party, its Executive Agent or other authorized representative designated by a Party shall be entitled to all rights and interests in its own country. Rights and interests in third countries shall be determined in implementing agreements, taking into consideration the following factors, as appropriate:

- a) the nature of the cooperation;
- b) the contributions of each of the Parties and its participants to the work to be performed, including background intellectual property,
- c) the intentions, capabilities, and obligations of each of the Parties and its participants to provide legal protection of intellectual property created,
- d) and the manner in which the Parties and their participants will provide for the commercialization of intellectual property created, including, where appropriate and possible, joint participation in commercialization.

In addition each person named as an inventor or author shall be entitled to receive rewards in accordance with the policies of each Party's participating institution.

2. Visiting researchers not involved in joint research, for example, scientists visiting primarily in furtherance of their education, shall receive intellectual property rights under arrangements with their host institutions. In addition, each such visiting researcher shall be entitled to receive rewards in accordance with the policies of the host institution.

3. In the event either Party believes that a particular joint research project under this Agreement will lead, or has led, to the creation or furnishing of intellectual property of a type that is not protected by the applicable laws of the Russian Federation or the United States of America, the Parties shall immediately hold consultations to determine the allocation of the rights to the said intellectual property. Such joint activities shall be suspended during the consultations unless otherwise agreed to by the Parties. If no agreement can be reached within a three-month period from the date of the request for consultations, the Parties shall cease the cooperation under the project in question.

C. Rights to background intellectual property may be transferred by the Parties and their participants through license agreements between individuals and/or legal entities. Such license agreements may reflect the following:

1. definitions,
2. identification of intellectual property being licensed and the scope of the license,
3. royalty rates and other compensation;
4. requirements for protection of business-confidential information,
5. requirement to comply with the relevant intellectual property and export control laws of the Russian Federation and the United States of America,
6. procedures for record keeping and reporting,
7. procedures for dispute resolution and termination of each agreement, and

8. other appropriate licensing terms and conditions.

IV. Business-confidential information

In the event that information identified in a timely fashion as business confidential is furnished or created under this Agreement, each Party and its participants shall protect such information in accordance with applicable laws, regulations, and administrative practice. Information may be identified as "business-confidential" if a person having the information may derive an economic benefit from it or may obtain a competitive advantage over those who do not have it, if the information is not generally known or publicly available from other sources, and if the owner has not previously made the information available without imposing in a timely manner an obligation to keep it confidential. Neither Party nor its participants shall publish or transfer to third parties business-confidential information furnished or created under this Agreement without the prior written consent of the other Party or its participants.