

The original documents are located in Box C49, folder “Presidential Handwriting, 10/2/1976” of the Presidential Handwriting File at the Gerald R. Ford Presidential Library.

Copyright Notice

The copyright law of the United States (Title 17, United States Code) governs the making of photocopies or other reproductions of copyrighted material. Gerald Ford donated to the United States of America his copyrights in all of his unpublished writings in National Archives collections. Works prepared by U.S. Government employees as part of their official duties are in the public domain. The copyrights to materials written by other individuals or organizations are presumed to remain with them. If you think any of the information displayed in the PDF is subject to a valid copyright claim, please contact the Gerald R. Ford Presidential Library.

THE WHITE HOUSE

WASHINGTON

October 2, 1976

ADMINISTRATIVELY CONFIDENTIAL

MEMORANDUM FOR: BRENT SCOWCROFT
FROM: JIM CONNOR *JEC*
SUBJECT: The Egyptian and Israeli Nuclear
Agreements

The President reviewed your recent memorandum on the above subject (original memorandum returned herewith) and approved Alternative #4 - "that the agreements not be submitted during this session."

cc: Dick Cheney

THE WHITE HOUSE
WASHINGTON

September 24, 1976

MR PRESIDENT:

The Egyptians and Israeli
Nuclear Agreements

In addition to the staff recommendations contained in the attached memorandum prepared by Brent Scowcroft, OMB (Paul O'Neill) recommends that you do not transmit the Egyptian and Israeli Agreements to the Congress this session. Their detailed comments are at TAB C.

Jim Connor

#4



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

SEP 23 1976

CONFIDENTIAL - GDS

MEMORANDUM FOR: THE PRESIDENT
FROM: Paul H. O'Neill *O'Neill*
SUBJECT: The Egyptian and Israeli Nuclear Agreements

OMB recommends that you not transmit the Egyptian and Israeli Agreements to the Congress this session (option 4 in Brent Scowcroft's September 23 memorandum to you) for the following reasons:

- 1) Because the law provides 60 days for Congressional consideration of Agreements, transmittal so late in the session will not achieve approval and is likely to be considered an affront by the Congress.
- 2) Because of inconsistencies between the Agreements and the forthcoming announcement of your nuclear policy, transmittal will undermine the credibility of your new nonproliferation initiative and subject the Administration to charges of vacillation.
- 3) Ultimately, we must face the problem of bringing your broad policy initiatives and the Agreements into conformity with each other. We believe the Agreements should conform to the broad U.S. policy, rather than modifying the policy objectives to fit the exceptional features of the Agreements.

CONFIDENTIAL - GDS
KR 5/1/88

up 9/24

September 24, 1976

MR PRESIDENT:

The Egyptians and Israeli
Nuclear Agreements

In addition to the staff recommendations contained in the attached memorandum prepared by Brent Scowcroft, OMB (Paul O'Neill) recommends that you do not transmit the Egyptian and Israeli Agreements to the Congress this session. Their detailed comments are at TAB C.

Jim Connor

THE WHITE HOUSE

ACTION MEMORANDUM

WASHINGTON

LOG NO.:

Date: September 23, 1976

Time:

FOR ACTION:

cc (for information):

Jim Lynn

FROM THE STAFF SECRETARY

DUE: Date: Quick Turnaround Pls.

Time:

SUBJECT:

Brent Scowcroft memo 9/23/76 re The Egyptian and Israel Nuclear Agreements

ACTION REQUESTED:

For Necessary Action

For Your Recommendations

Prepare Agenda and Brief

Draft Reply

For Your Comments

Draft Remarks

REMARKS:

This package must be on the President's desk when he returns tomorrow - therefore - the request for quick turnaround.

Original to Bob Linder

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a delay in submitting the required material, please telephone the Staff Secretary immediately.

Jim Connor
For the President

THE WHITE HOUSE
WASHINGTON
9/23/76

TO: BOB LINDER
FROM: TRUDY FRY

The attached is sent to you for review before it is forwarded to the President.

With General Scowcroft's permission I staffed this to OMB --- The General says the package must be on the President's desk when he returns.

A handwritten signature or set of initials, possibly 'TRF', is written in the bottom right corner of the page.

ACTION MEMORANDUM

HOUSE

STON

Date: September 23, 1976

Time:

FOR ACTION:

cc (for information):

LOG NO.:
RECEIVED
SEP 23 4 48 PM '76
IMMEDIATE ACTION
OF THE DIRECTOR
O.A.D.

Jim Lynn

FROM THE STAFF SECRETARY

DUE: Date: Quick Turnaround Pls.

Time:

SUBJECT:

Brent Scowcroft memo 9/23/76 re The Egyptian and Israel Nuclear Agreements

ACTION REQUESTED:

For Necessary Action

For Your Recommendations

Prepare Agenda and Brief

Draft Reply

For Your Comments

Draft Remarks

REMARKS:

This package must be on the President's desk when he returns tomorrow - therefore - the request for quick turnaround.

CONFIDENTIAL ATTACHMENT

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a delay in submitting the required material, please telephone the Staff Secretary immediately.

Jim Connor
For the President

ITEM WITHDRAWAL SHEET
WITHDRAWAL ID 00922

Collection/Series/Folder ID No. : 004700458
Reason for Withdrawal : NS,National security restriction
Type of Material : MEM,Memo(s)
Creator's Name : Brent Scowcroft
Receiver's Name : President
Description : Egyptian and Israeli nuclear agree
ements.
Creation Date : 09/23/1976
Volume (pages) : 5
Date Withdrawn : 05/23/1988

THE WHITE HOUSE

WASHINGTON

MEMORANDUM FOR

The Administrator
Energy Research and Development Administration

SUBJECT: Proposed Civil Power Agreements for Cooperation
between the United States and Israel and Egypt

The proposed Agreements for Cooperation concerning civil uses of atomic energy between the United States and, respectively, Israel and the Arab Republic of Egypt, including the diplomatic notes, which were contained with your letter of August 23, 1976, have been reviewed.

Pursuant to the provisions of subsection 123b of the Atomic Energy Act of 1954, as amended, and upon your recommendation, I hereby:

- a. Approve the proposed agreements, including the notes, and determine that their performance will promote and will not constitute an unreasonable risk to the common defense and security of the United States of America; and
- b. Authorize the execution of the proposed agreements, including the United States notes, on behalf of the Government of the United States of America by appropriate authorities of the Department of State and the Energy Research and Development Administration.

00925



UNITED STATES
ENERGY RESEARCH AND DEVELOPMENT ADMINISTRATION
WASHINGTON, D.C. 20545

AUG 23 1976

The President
The White House

Dear Mr. President:

Enclosed are proposed Agreements for Cooperation concerning civil uses of atomic energy with Israel and with Egypt, including diplomatic notes integral to the agreements. The agreements, including the notes, have been negotiated by the Energy Research and Development Administration (ERDA) and the Department of State pursuant to the Atomic Energy Act of 1954, as amended. With the Department's concurrence, I recommend that you approve the agreements, including the notes, determine that their performance will promote and will not constitute an unreasonable risk to the common defense and security, and authorize the execution of the agreements, including the notes to be delivered by the United States.

The basic purpose of the agreements is to establish the framework under which Israel and Egypt may each receive from U.S. sources up to two nuclear power reactors, together with enriched uranium fuel for those reactors. The term of each agreement would be forty years. The diplomatic notes set forth certain understandings relating to implementation of the agreements. The two agreements and notes are substantively identical.

Although the scope of cooperation and many provisions of these agreements are similar to prior U.S. Agreements for Cooperation applicable to nuclear power cooperation, these agreements incorporate several special provisions. These provisions are intended to ensure that cooperation under the agreements is fully compatible with U.S. non-proliferation objectives. In particular, they reflect the desire to assure that the introduction of nuclear power in Israel and Egypt will occur under carefully safeguarded and controlled conditions. A detailed description of provisions of the agreements and notes is enclosed; a summary of key provisions follows:



AUG 23 1976

- a. U.S. supply of material and equipment to Israel and Egypt would be subject to safeguards of the International Atomic Energy Agency (IAEA), with U.S. safeguards rights suspended (not relinquished) as long as the U.S. agrees that safeguards requirements are satisfactorily met by IAEA safeguards.
- b. There is express provision for U.S. access to information on the implementation of the IAEA safeguards.
- c. There is express prohibition against use of U.S. material and equipment, and any plutonium produced therefrom, for any military use, including any nuclear explosive device.
- d. Agreed physical security measures must be established for application to U.S.-supplied nuclear material and equipment.
- e. U.S. approval is required as to where certain operations involving plutonium, including the reprocessing of U.S. fuel or non-U.S. fuel used in a U.S. reactor, would be performed. An explicit understanding is included that fuel reprocessing, as well as storage or fabrication of the recovered plutonium, will take place outside of Israel and Egypt.
- f. The enrichment of uranium fuel to be transferred under the agreements is restricted to below 20% in the isotope U-235.
- g. The U.S. has an option to take title to, and to effect the disposition of, plutonium produced in U.S. fuel or non-U.S. fuel in a U.S. reactor.
- h. Should plutonium be requested for recycle as reactor fuel, such supply would be subject to U.S. approval and, if permitted, such plutonium transfer would be in the form of fabricated elements (an express understanding set forth in the notes).

In addition, these agreements impose certain constraints with respect to reactors that Israel or Egypt might develop in the future utilizing technology transferred under the agreements (referred to as "replicated nuclear facilities"). These constraints are comparable to those which would be applicable under present U.S. policy to transfers of sensitive technologies (namely, reprocessing, uranium isotope separation, and heavy water production). The constraints are designed to assure that certain basic requirements applicable to direct U.S. assistance would be applicable to such replicated nuclear facilities, namely, requirements for IAEA safeguards, physical security, and a prohibition against any military use thereof, including any nuclear explosive device.

In addition to comporting with U.S. non-proliferation policies, the agreements also accord with ERDA policies governing its long-term supply of uranium enrichment services. Accordingly, the agreements are essentially enabling documents insofar as fuel supply is concerned. The agreements themselves do not represent a supply commitment; rather, such assurance arises only pursuant to specific contracts. It is recognized that one ERDA contract for supply of uranium enrichment services for a project in the 600 MWe range was signed with each country in June 1974, but each contract was conditioned on the conclusion of an appropriate Agreement for Cooperation. The execution of those contracts at that time reflected established U.S. supply policies, including a contracting deadline applicable to long-term ERDA supply of uranium enrichment services.

Subject to your approval, determination and authorization, the agreements, including the notes, will be signed by appropriate authorities of the United States and Israel and Egypt. In compliance with Section 123d of the Atomic Energy Act, the agreements, including the notes, would then be submitted to the Congress.

Respectfully yours,



Robert C. Seamans, Jr.
Administrator

Enclosures:

1. Agreements for Cooperation and Notes with Israel and Egypt (3)
2. Description of Provisions (3)

(Draft for Possible Use by the President in Responding to Dr. Seamans)

MEMORANDUM FOR

THE ADMINISTRATOR
ENERGY RESEARCH AND DEVELOPMENT ADMINISTRATION

SUBJECT

PROPOSED CIVIL POWER AGREEMENTS FOR COOPERATION
BETWEEN THE UNITED STATES AND ISRAEL AND EGYPT

The proposed Agreements for Cooperation concerning civil uses of atomic energy between the United States and, respectively, Israel and the Arab Republic of Egypt, including the diplomatic notes, which were contained with your letter of _____, 1976, have been reviewed.

Pursuant to the provisions of subsection 123b of the Atomic Energy Act of 1954, as amended, and upon your recommendation, I hereby:

- a. Approve the proposed agreements, including the notes, and determine that their performance will promote and will not constitute an unreasonable risk to the common defense and security of the United States of America; and
- b. Authorize the execution of the proposed agreements, including the United States notes, on behalf of the Government of the United States of America by appropriate authorities of the Department of State and the Energy Research and Development Administration.



DESCRIPTION OF PROPOSED POWER AGREEMENTS FOR COOPERATION WITH ISRAEL AND EGYPT RELATING TO CIVIL USES OF ATOMIC ENERGY

I. GENERAL

The purpose of the proposed agreements with Israel and Egypt is to establish the framework for U.S. cooperation with each in the applications of nuclear power. As a basic supporting aspect, other cooperation in the peaceful uses of atomic energy would also be permitted--in research, medicine, agriculture and industry. It should be noted, however, that the specific interest of both Israel and Egypt relates to supply of U.S. power reactors and related low-enriched uranium supply. Accordingly, establishment of the necessary framework for such supply is the basic purpose of both agreements and is the area of cooperation contemplated by the United States.

Since the agreements with Israel and with Egypt are substantively identical, the description of provisions below are equally applicable to each agreement. This is also the case regarding notes (discussed later below) which are integral to the agreements and set forth certain understandings relating to implementation of the agreement texts.

II. SPECIFIC PROVISIONS OF RESPECTIVE AGREEMENTS FOR COOPERATION

Preamble

It expresses the main objectives of the Parties and, together with other provisions (particularly those of Article III) identifies the scope of the agreement. In these cases the U.S. and, respectively, Israel and Egypt specifically desire to cooperate in the civil uses of atomic energy having applications in electrical power production and to permit cooperation in research, medical, agriculture and supporting industrial aspects.

Article I - Definitions

Among those set forth, the definitions of "atomic weapon", "byproduct material", "persons", "Restricted Data", "source material", and "special nuclear material" derive from corresponding definitions in Section 11 of the Atomic Energy Act. For the purposes of these agreements, three definitions have been added, i.e., "nuclear facilities", "replicated nuclear facilities" and "technological information." When read together and as they operate in the text of the agreement (see Article X), these definitions provide that possible future developments in the Israeli and Egyptian nuclear power programs which derive from U.S. cooperation under the agreements will be used solely for peaceful purposes.

Paragraph B of Article I has been included as a result of the inclusion of the special provisions noted above relating to derived or "replicated" facilities. Consistent with the Atomic Energy Act, the U.S. has defined certain materials (e.g., special nuclear material) and related conditions governing their use. Under the agreement, the U.S. would also designate "nuclear facilities" and "technological information," which designations trigger the application of provisions directed to assuring peaceful use of replicated facilities. Paragraph B reflects the concern that such definitions and designations not be made retroactive, a circumstance which could be practically impossible to implement in any event.

Article II - Basic Conditions

The following are basic conditions for cooperation between the governments, including persons under their jurisdiction:

- a. cooperation is subject to provisions of the agreement, to the availability of personnel and material, and to the applicable laws, treaties, regulations and license requirements in force in the respective countries; and
- b. Restricted Data shall not be communicated, nor is any transfer of materials, equipment or devices, or the furnishing of services, permitted if the communication of Restricted Data would be involved.

Article III - Information Exchange

Based on statutory authority, express provision is made for exchange of information with respect to peaceful uses of atomic energy and consideration of health and safety connected therewith. Certain areas of information of particular interest (as well as those common to U.S. Agreements for Cooperation) are highlighted, which areas basically are in support of the initiation of a nuclear power program. The article envisages the various standard means to accomplish such exchange, for example, reports, conferences and visits to facilities.

Article IV - Material (Non-Fuel and Equipment Transfers)

As is standard in other U.S. Agreements for Cooperation, provision is made for the transfer of various materials and equipment between the Parties, including special material for purposes other than reactor fueling, in quantities and under terms as may be agreed. Typically, material transfers under this provision are for research purposes and involve relatively small quantities. Article IV also includes enabling provisions for the mutual use of specialized facilities and the transfer of equipment should such be desired.

Article V - Disclaimer

Authorized persons under the respective jurisdictions of the Parties may transfer nuclear facilities, equipment and devices and material, including special nuclear material. Such transfers may be between authorized persons under the jurisdiction of the Parties, as well as between authorized persons under one Party's jurisdiction and the other Party. The transfers are expressly subject to the basic conditions in Article II as well as other provisions of the agreement. In effect, this article enables private persons to undertake cooperative activities which the Parties are permitted to undertake. Such enabling provisions have become standard in the U.S. Agreements for Cooperation since the advent in 1964 of U.S. private ownership of special nuclear material.

Article VII - Fuel Supply Framework

This article establishes the basic, enabling framework for the supply of enriched uranium reactor fuel by the U.S. Government (ERDA). It does not represent any independent supply assurance nor allocation of enrichment capacity; such assurance is subject of specific supply contracts. ERDA may transfer enriched uranium fuel under terms and conditions as may be agreed. In view of the interest in allowing for future recycle of plutonium in power reactor operations, provision is made for supply of special nuclear material other than uranium enriched in U-235. ERDA itself is not a supplier of recycle plutonium; it is contemplated that such material would be supplied from commercial sources. Any such transfers of plutonium fuel to Israel or to Egypt from the U.S. would be subject to U.S. Government approval.

Article VIII - Fuel Supply Conditions

The article sets forth conditions governing supply of special nuclear material for fueling purposes (whether by U.S. governmental or private sources). There is a ceiling on uranium fuel enrichment; such fuel must contain less than 20 percent in the fissile isotope U-235. Further, the fuel material transferred may not exceed the quantity which the Parties agree is necessary for loading reactors and their efficient and continuous operation. There is enabling language for Israel and Egypt to convert, fabricate and store only low-enriched uranium fuel (i.e., enriched below 20 percent in U-235, which is not sensitive from the point of view of weapons potential).

Since certain normal operations in the nuclear fuel cycle involve plutonium, special controls are placed on these operations when U.S. fuel or non-U.S. fuel in a U.S. reactor would be involved. Thus, paragraph D of Article VIII provides that any reprocessing of such material, as well as the conversion, fabrication or storage of fuel material (other than exclusively low-enriched uranium) be subject to U.S. approval. As provided in the related diplomatic notes, the performance in Israel or Egypt of such reprocessing, as well as any storage or fabrication of recovered plutonium, is prohibited. (There are certain exclusions in paragraph D which do not involve U.S.-supplied fuel or fuel used in a U.S.-supplied reactor; these will be discussed later in connection with Article X.)

Paragraph E gives the U.S. the option to take title to and to effect the disposition of plutonium produced in U.S.-supplied fuel or reactors. Produced plutonium with respect to which the option is not exercised may be transferred (pursuant to paragraph F) to another country but subject to U.S. approval.

Paragraph G provides for agreement on physical security measures to protect U.S.-supplied material, facilities, equipment and devices. (There are exclusions from these particular provisions like those in paragraph D, which will also be discussed in connection with Article X.)

Article IX - Power Reactor Fuel Ceiling

There is an upper limitation on the number of power reactors (two) and on the quantity of enriched uranium which may be transferred to Israel and to Egypt for fueling those reactors. The enriched uranium ceiling is formulated as the separative work necessary to produce uranium en- in U-235 to support up to 1,970 megawatts electric total.

Article X

The article establishes commitments by both Israel and Egypt in the form of the following guarantees:

1. Prescribed safeguards will be maintained.
2. No material, equipment and devices or nuclear facilities transferred under the agreements, and no special nuclear material produced through the use of such material, facilities, equipment and devices will be used for atomic weapons or other nuclear explosive devices or for any military purpose.

3. No material, equipment and devices or nuclear facilities will be transferred to unauthorized persons or beyond the jurisdiction of Israel and Egypt except as ERDA agrees to such transfers, and then only if, in ERDA's opinion, the transfer is within the scope of an Agreement for Cooperation between the U.S. and the third party.

4. Any technological information (a defined term in Article I) transferred to Israel or to Egypt shall be subject to the "peaceful uses" guarantee (noted in 2 above); and any replicated nuclear facilities (also a defined term in Article I) shall be subject to the "peaceful uses" and transfer guarantees (noted in 2 and 3 above) and to physical security measures not less stringent than the applicable measures agreed to between the U.S. and, respectively, Israel and Egypt under Article VIII, paragraph G (previously cited).

5. Any transfer outside Israel or Egypt of any technological information or replicated nuclear facilities subject to the agreement would be subject to three conditions which Israel and Egypt guarantee to require:

a. the recipient country has given a "peaceful uses" guarantee such as given by Israel and Egypt with respect to: (i) such technological information; (ii) such replicated nuclear facilities; (iii) any nuclear facilities fabricated or constructed in the recipient country which incorporate or are derived from technological information received by Israel and Egypt under their U.S. agreements; and (iv) any source material or special nuclear material utilized in, recovered from or produced as a result of the use of such technological information, replicated nuclear facilities and other nuclear facilities;

b. safeguards of the International Atomic Energy Agency (IAEA) shall be applicable to source material or special nuclear material utilized in, recovered from or produced as the result of the use of the above-noted technological information, replicated nuclear facilities and other nuclear facilities; and

c. physical security measures not less stringent than the applicable measures agreed to by the U.S. and Egypt shall apply.

6. Any source material or special nuclear material, other than that supplied by the U.S. or produced in U.S. material or equipment (which source and special nuclear material is already subject to guarantees, controls and safeguards and other provisions of the agreements), which is utilized in, recovered from or produced as a result of the use of any replicated nuclear facilities shall, while in Israel and Egypt, be subject to the "safeguards maintenance" and "peaceful uses" guarantees in 1 and 2

above and to physical security measures not less stringent than those applicable to U.S. supplied material; and transfers from Israel and Egypt of such material associated with replicated facilities shall be subject to IAEA safeguards, "peaceful uses" guarantee by the recipient country, and physical security measures not less stringent than those applicable to U.S.-supplied or U.S.-origin material in Israel or Egypt.

7. Israel and Egypt agree to consult with the U.S. to assure compliance with the six guarantees outlined above.

As defined, the replicated facilities discussed above and material used therein do not involve U.S.-supplied material. As a negotiating matter, the U.S. did not insist on extending the absolute veto rights noted earlier under Article VIII, paragraphs D and G to such replicated facilities since Israel and Egypt agreed that the replicated facilities and non-U.S. material would be subject to IAEA safeguards, a non-explosive device guarantee and physical security requirements as called for in Article X.

Article XI - U.S. Safeguards Rights

The article sets forth U.S. safeguards rights; the U.S. would exercise them to the extent such rights are not suspended (with U.S. agreement) by virtue of the application of IAEA safeguards. As a practical matter, the U.S. would not expect to exercise its safeguards rights while IAEA safeguards are in effect (although such an eventuality is not precluded).

The purpose of the safeguards is to detect on a timely basis, and thereby deter, a diversion by Israel or Egypt of U.S. assistance to any military purposes, including any nuclear explosive device whatsoever. The U.S. rights include review of facility designs, access to operating records and reports, and inspections. The U.S. rights apply to source material or special nuclear material used in, recovered from or produced in U.S.-supplied equipment as well as such material supplied by the U.S. The rights would also apply to any replicated nuclear facilities in Israel and Egypt and to source material or special nuclear material used in, recovered from or produced in such replicated facilities.

In the event of noncompliance with the safeguards provisions, the U.S. has the right to suspend or terminate the agreement and to require return of U.S.-supplied material and material used in, recovered from or produced in U.S.-supplied equipment. The U.S. right to require return of material also would arise in the event of noncompliance with the guarantees in Article X or three key provisions of Article VIII, i.e., obtaining U.S. approval for

reprocessing and certain other operations, exporting U.S.-origin produced plutonium subject to U.S. approval, and maintaining required physical security measures.

Article XII - IAEA Safeguards

Provision is made for safeguards rights to be exercised by the IAEA with respect to material, equipment and facilities required to be subject to safeguards under the Agreement for Cooperation (Article XI). U.S. safeguards rights would be suspended during the time and to the extent the U.S. agrees that the need to exercise its right is satisfied by the IAEA arrangements.

Article XIII - Duration

The period of the agreement would be 40 years. This period permits fuel supply over the approximate economic lifetime of the planned power reactors and accommodates advance contracting requirements by the U.S. Government (ERDA) with respect to its long-term supply of enriched uranium fuel for such reactors.

III. DIPLOMATIC NOTES (INTEGRAL TO THE AGREEMENTS)

The purpose of the note is to set forth agreed understandings concerning the implementation of the Agreement for Cooperation. In so doing, the note also highlights certain mutual views of the Parties, for example, the mutual interest in international safeguards and protection of nuclear material and equipment subject to the agreement.

The economic benefits of plutonium fuel transfers for recycle in power reactor operations would be considered, but such fuel transfers, if approved by the U.S., would be in the form of fully fabricated elements.

As noted earlier in Section II, any reprocessing of U.S. fuel or non-U.S.-fuel used in a U.S. reactor would take place outside Israel and Egypt. Such condition also governs any fabrication or storage of plutonium recovered from such reprocessing.

Israel and Egypt agree to authorize the IAEA to make available to the U.S. requested information on the implementation of the applicable Agency safeguards agreement called for in each Agreement for Cooperation. The U.S. agrees to protect information provided to it in confidence by Israel or Egypt. Such consideration relates to protection of proprietary information which may be revealed during implementation of safeguards. It also relates to the need to protect physical security information.

It is recognized that the U.S. has safeguards rights under the agreement which the U.S. would suspend during the time and to the extent it agrees that the need to exercise such rights is satisfied by IAEA safeguards. On the other hand, the simultaneous application of U.S. and IAEA safeguards is not anticipated under the agreements with Israel and Egypt; the U.S. has found under its other agreements that the Agency's system meets the need of the United States.

To avoid potential confusion, the note emphasizes the fundamental position of the U.S. that the safeguards and guarantee provisions of the agreement, as well as key requirements relating to fuel cycle operations, to transfer of produced plutonium and to physical security, have continuing effect.