

**ADMINISTRATIVE ARRANGEMENT
BETWEEN
THE UNITED STATES NUCLEAR REGULATORY COMMISSION
(USNRC)
AND
THE CANADIAN NUCLEAR SAFETY COMMISSION (CNSC)
FOR COOPERATION AND THE EXCHANGE OF INFORMATION
IN NUCLEAR REGULATORY MATTERS**

MARCH 13, 2007

WHEREAS the Government of the United States of America and the Government of Canada have entered into an agreement for cooperation concerning civil uses of atomic energy;

AND WHEREAS the United States Nuclear Regulatory Commission (hereinafter referred to as USNRC) and the Canadian Nuclear Safety Commission (hereinafter referred to as CNSC), are concerned about establishing acceptable standards of health, safety, security, safeguards, and the protection of the environment with respect to nuclear facilities and fissionable and radioactive substances in their jurisdictions;

AND WHEREAS the USNRC and CNSC have a mutual interest in exchanging technical information relating to the regulation of designated nuclear facilities, fissionable and radioactive substances, in cooperating during times of nuclear emergency occurring in either jurisdiction, and in recognizing the possibility of mutual advantages in the exchange of personnel and in cooperation in safety research;

AND WHEREAS the USNRC and the CNSC were parties to a five year "Administrative Arrangement for Cooperation and the Exchange of Information in Nuclear Regulatory Matters," which expired on August 15, 2001, and was subsequently renewed for another five-year period on May 29, 2002, each agency desires the continuation of such Administrative Arrangement;

THEREFORE both the USNRC and the CNSC, hereinafter the "Parties", have come to the following Arrangement:

1.0 Definitions:

In this Arrangement,

"administrator" means the person appointed by a Party to this Arrangement pursuant to Article 3.1;

"designated" means designated pursuant to Article 5.1;

"decommissioning" includes the disposal of radioactive materials and components that result from the decommissioning activity;

"fissionable substance" means any substance that is, or from which can be obtained, a substance capable of releasing nuclear energy by nuclear fission;

"nuclear facility" means a civil nuclear power or research reactor or a facility for the storage or disposal of spent fuel and byproduct materials; and

"technical information" means scientific, engineering or technological data or information with respect to a nuclear facility or a fissionable or radioactive substance including but not limited to the kinds of technical information described in Appendices A and B to this Arrangement.

2.0 Scope of the Arrangement

2.1 To the extent that the Parties are permitted to do so under the laws, regulations, and policy directives of their respective countries and, subject to Article 2.3, the Parties will exchange, pursuant to this Arrangement, technical information of the kinds described in Appendix A that relates to the regulation of the health, safety, security, safeguards, waste management and environmental protection aspects of

2.1.1 the siting, construction, commissioning, operation, and decommissioning of any designated nuclear facility in their respective jurisdictions; and

2.1.2 the actual and proposed civil uses of fissionable and radioactive substances, and the storage and disposal of spent fuel and byproduct materials resulting from such uses.

- 2.2 The Parties will notify each other promptly of any significant radiological event, accident, or emergency that occurs in activities under their respective jurisdictions, and will cooperate by:
- 2.2.1 establishing and maintaining adequate communications between them for use during such event, accident or emergency, and
 - 2.2.2 subject to Article 2.3, exchanging technical information of the kinds described in Appendix B that relates to such event, accident or emergency.
- 2.3 The Parties will not disclose technical information, or be obliged to take any other action under this Arrangement if that disclosure or action is
- 2.3.1 prohibited or inhibited by legislation, federal government policy or a provision of a contract binding either Party, or
 - 2.3.2 technical information related to sensitive nuclear technology as defined in the U.S. Code of Federal Regulations at 10 CFR Part 810,
- but they will disclose the prohibition or inhibition and consult about the means, if any, by which the disclosure of such information may be accomplished or the action may be taken consistent with the spirit of this Arrangement.
- 2.4 Where a prohibition or inhibition referred to in Article 2.3 is a conditional prohibition or inhibition, the Parties will employ their best efforts to satisfy such conditions as may be necessary to allow the exchange of technical information between them or to allow the contemplated action to be taken.
- 2.5 The exchange, pursuant to this Arrangement, of technical information will not constitute a warranty or representation on the part of USNRC or CNSC with respect to
- 2.5.1 their ownership of or title to such information, subject nevertheless to Article 2.6;
 - 2.5.2 the completeness or accuracy of such information; or
 - 2.5.3 the fitness of such information for any particular purpose,
- but its use by either Party will be at the sole discretion and at the sole risk of the user.
- 2.6 Where the Parties are, in the ordinary course of their respective operations, aware that technical information intended to be exchanged by either of them contains copyrighted or other proprietary information, or information which is the subject of a patent, they will each ensure that

such information is adequately and appropriately identified before it is exchanged.

- 2.7 The Parties may, when exchanging a specific item of technical information, impose such conditions or prohibitions on the further disclosure of that information as are deemed to be appropriate, including but not limited to the conditions set out in Appendix C, and the recipient thereof will comply with such conditions or prohibitions.
- 2.8 Subject to any conditions referred to in Articles 2.4, 2.5 and 2.7 the Parties are at liberty to disclose information exchanged pursuant to this Arrangement without limitation.

3.0 Administrators

- 3.1 The Parties will each appoint an administrator for purposes of this Arrangement.
- 3.2 The Parties will each notify the other in writing of the name, mailing address and telephone number of its administrator.

4.0 Duties of Administrators

- 4.1 The administrators will, after consultation between them, and within the limits of available resources,
 - 4.1.1 establish and maintain an efficient and effective system of communication between the Parties for all purposes of this Arrangement;
 - 4.1.2 coordinate the preparation of technical information to be exchanged pursuant to this Arrangement;
 - 4.1.3 ensure that technical information to be exchanged is adequately and appropriately identified for purposes of Article 2.6;
 - 4.1.4 implement the exchange of technical information contemplated by this Arrangement;
 - 4.1.5 where no other person has been identified to receive such information for his or her respective agency, act as the recipient of technical information received pursuant to this Arrangement;
 - 4.1.6 ensure that any conditions or prohibitions referred to in Articles 2.4 and 2.7 are respected;
 - 4.1.7 act as coordinators and convenors of such meetings between officials of the Parties as are requested or considered to be necessary;

- 4.1.8 establish and maintain a schedule of designated nuclear facilities in accordance with Article 5.1;
- 4.1.9 make recommendations to the Parties with respect to any amendment of this Arrangement considered by the administrators to be beneficial to its purpose or to its administration.

5.0 Designation of Nuclear Facilities

- 5.1 The administrators will, after consultation between them, prepare and agree upon a list of designated nuclear facilities in each jurisdiction for the purposes of this Arrangement.
- 5.2 The administrators may, from time to time and after consultation between them, prepare and agree upon an amendment to or a revision of the list referred to in Article 5.1.

6.0 Exchange of Personnel

- 6.1 The Parties are prepared to consider exchanging, on a temporary basis, personnel between their respective organizations when it appears to them that such an exchange would be mutually beneficial.
- 6.2 An exchange of personnel referred to in Article 6.1 may be considered on a case by case basis, and will be the subject of an appropriate agreement.

7.0 Cooperation in Safety Research

- 7.1 The Parties are prepared to consider the establishment of joint programs and projects of safety research and development.
- 7.2 A joint program or project referred to in Article 7.1 may be considered on a case by case basis and may be
 - 7.2.1 the subject of an appropriate agreement, if determined to be necessary by the research organizations of one or both Parties. When not the subject of a separate agreement, the terms of cooperation may be established by an exchange of letters between the research organizations of the Parties, and will be subject to the terms and conditions of the present Arrangement.
 - 7.2.2 implemented by the research organizations of the Parties.

8.0 Implementation and Interpretation

- 8.1 The Parties agree that, except as otherwise provided in this Arrangement, the administrators will be jointly responsible for its implementation and interpretation, and that any difference of opinion between the administrators concerning such matters which they are not able to resolve between them will be resolved by mutual agreement of the Parties.

9.0 Costs

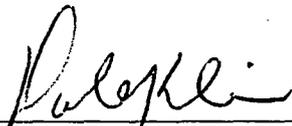
- 9.1 Unless otherwise agreed, all costs resulting from cooperation pursuant to this Arrangement will be the responsibility of the Party that incurs them. The ability of the Parties to carry out their obligations is subject to the appropriation of funds by the appropriate governmental authority and to laws and regulations applicable to the Parties.

10.0 Entry into Effect and Early Termination

- 10.1 This Arrangement will become effective upon its execution by both Parties and, subject to Article 10.2 will remain in effect for five years. It may be extended for further periods of time by the written consent of the Parties.
- 10.2 Either Party may withdraw from this Arrangement upon informing the other Party of its intention 180 days prior to the effective date of the withdrawal.
- 10.3 Upon entry into effect, this Arrangement will supercede the existing Arrangement dated May 29, 2002.

IN WITNESS WHEREOF this Arrangement has been signed in duplicate, on behalf of USNRC and CNSC by their authorized officers this 13th day of March 2007 at Washington, D.C., in the English and the French languages, both texts being equally authentic.

FOR THE UNITED STATES
NUCLEAR REGULATORY
COMMISSION:



Dale E. Klein, Chairman

FOR THE CANADIAN NUCLEAR
SAFETY COMMISSION:



Linda J. Keen, President

**APPENDIX A TO THE
ADMINISTRATIVE ARRANGEMENT BETWEEN USNRC AND CNSC**

KINDS OF TECHNICAL INFORMATION

- a. Topical reports concerning technical safety, occupational and public radiological protection, safeguards (material accountancy and control and physical protection), the safety and security of radioactive sealed sources, waste management and environmental effects written by or for one of the Parties as a basis for, or in support of, regulatory policies and decisions.
- b. Documents relating to significant licensing actions and safety and environmental decisions affecting a designated nuclear facility.
- c. Information in the field of reactor safety research which the Parties have the right to disclose, either in the possession of one of the Parties or available to it, including light water reactor safety information from the technical areas described in Addenda "A" and "B", attached hereto and made a part hereof. Exchanges in the field of reactor safety research may require a separate agreement, as determined to be necessary by the research organizations of one or both Parties. Each Party will transmit immediately to the other information concerning research results that requires early attention in the interest of public safety, along with an indication of significant implications.
- d. Reports about the operating experience of designated nuclear facilities including reports on nuclear incidents, accidents and shutdowns, and compilations of historical and reliability data with respect to such facilities.
- e. Regulatory procedures for the safety, safeguards (material accountancy and control and physical protection), waste management and environmental impact evaluations of designated nuclear facilities.
- f. Regulatory procedures for the tracking of radioactive sealed sources and for national sealed source registries.
- g. Early advice of important events occurring at designated nuclear facilities including serious operating incidents and shutdowns directed by the regulator.
- h. Copies of regulatory standards required to be used or proposed for use by the regulatory organizations of the Parties in respect to designated nuclear facilities.

**APPENDIX B TO THE
ADMINISTRATIVE ARRANGEMENT BETWEEN USNRC AND CNSC
KINDS OF TECHNICAL INFORMATION**

- a. Information related to emergency action levels and emergency response classifications.
- b. Information with respect to emergency planning, regulations and response organizations.
- c. Information with respect to the nature, location and expected hazard of a radiological event, accident or emergency, and with respect to the remedial measures taken or to be taken.

**APPENDIX C TO THE
ADMINISTRATIVE ARRANGEMENT BETWEEN USNRC AND CNSC
EXCHANGE AND USE OF INFORMATION**

A. General

The Parties support the widest possible dissemination of information provided or exchanged under this Arrangement, 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 Arrangement. The Intellectual Property Addendum incorporates the language of the U.S.-Canada AGREEMENT ON THE ALLOCATION OF INTELLECTUAL PROPERTY RIGHTS, INTERESTS AND ROYALTIES FOR INTELLECTUAL PROPERTY CREATED OR FURNISHED UNDER CERTAIN SCIENTIFIC AND TECHNOLOGICAL COOPERATIVE RESEARCH ACTIVITIES, executed by exchange of notes at Ottawa February 4, 1997 (U.S.-Canada IPR Agreement). Except as otherwise specifically provided for in this Arrangement and/or in any implementing agreements hereto, the intellectual property rights provisions in the Intellectual Property Addendum /U.S.-Canada IPR Agreement will apply. All information protected by provisions of this Arrangement as proprietary, privileged, or otherwise subject to restriction on disclosure shall remain so protected for the duration of this Arrangement and after the Arrangement is expired or terminated, unless otherwise mutually agreed in writing.

B. Definitions

For the purposes of this Arrangement:

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 provided, created or exchanged under this Arrangement.

2. The term "proprietary information" means information created or exchanged under this Arrangement which contains trade secrets or other privileged or sensitive commercial information (such that the person having the information may derive a commercial benefit from it or may have a commercial 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) except on the basis that it be held in confidence;
 - (d) is not otherwise available to the receiving Party from another source without restrictions on its further dissemination; and
 - (e) is not already in the possession of the receiving Party.
3. The term "other confidential or privileged information" means non-classified information, other than "proprietary information," which has been transmitted and received in confidence under this Arrangement and is protected from public disclosure under the laws, regulations, or policies of the Party providing the information, or is otherwise restricted by the transmitting Party.

C. Marking Procedures for Documentary Proprietary Information

A Party receiving documentary proprietary information pursuant to this Arrangement 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 Arrangement dated March 13, 2007 between the Nuclear Regulatory Commission of the United States of America and the Canadian Nuclear Safety Commission and will not be disseminated outside these organizations, their consultants, contractors, and licensees, and concerned departments and agencies of the Government of the United States and the Government of Canada without the prior approval of (name of the transmitting Party). This notice will be marked on each page of any reproduction hereof, in whole or in part. These limitations will automatically terminate when this information is disclosed by the owner without restrictions.

This restrictive legend will be respected by the Parties to this Arrangement. Proprietary information bearing this restrictive legend shall not be made public or otherwise disseminated in any manner unspecified or contrary to the terms of this Arrangement without prior written consent of the transmitting Party. Proprietary information bearing this restrictive legend shall not be used by the receiving Party or its contractors and consultants for any purposes without the prior written consent of the transmitting Party.

D. Dissemination of Documentary Proprietary Information

1. In general proprietary information received under this Arrangement may be disseminated by the receiving Party without prior consent to persons within or employed by the receiving Party, and to concerned Government departments and Government agencies in the country of the receiving Party, provided:
 - a. such dissemination is made on a case-by-case basis to persons or departments and agencies having a legitimate need for the proprietary information; and
 - b. such proprietary information shall bear the restrictive legend appearing in Appendix C: Section C of this Arrangement.
2. Proprietary information received under this Arrangement may be disseminated by the receiving Party, without prior consent, to contractors and consultants of the receiving Party located within the geographical limits of that Party's country, provided
 - a. that the proprietary information is used by such contractors and consultants only for work within the scope of their contracts with the receiving Party relating to the subject matter of the proprietary information, and shall not be used by such contractors and consultants for any other purposes; and
 - b. that such dissemination is made on a case-by-case basis to contractors and consultants having a legitimate need for the proprietary information and who have executed a non-disclosure agreement; and
 - c. that such proprietary information shall bear the restrictive legend appearing in Appendix C: Section C of this Arrangement.
3. With the prior written consent of the Party furnishing proprietary information under this Arrangement, the receiving Party may disseminate such proprietary information more widely than otherwise permitted under the terms set forth above in this Arrangement. The Parties will endeavor to grant such approval to the extent permitted by their respective national laws, regulations and policies, provided
 - a. that the entities receiving proprietary information under Appendix C: Section D: Paragraph 3 of this Arrangement, including domestic organizations permitted or licensed by the receiving Party to construct or operate nuclear production or utilization facilities, or to use nuclear materials and radiation sources, have a legitimate need for the proprietary information and have executed a non-disclosure agreement; and

- b. that the entities receiving proprietary information under Appendix C: Section D: Paragraph 3 of this Arrangement, including domestic organizations permitted or licensed by the receiving Party to construct or operate nuclear production or utilization facilities, shall not use such proprietary information for any private commercial purposes; and
- c. that those entities receiving proprietary information under Appendix C: Section D: Paragraph 3 of this Arrangement that are domestic organizations permitted or licensed by the receiving Party, agree to use the proprietary information only for activities carried out under or within the terms of their specific permit or license.

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

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

G. Other

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

ADDENDUM "A"

USNRC – CNSC SAFETY RESEARCH EXCHANGE AREAS IN WHICH THE USNRC IS PERFORMING OR SPONSORING SAFETY RESEARCH

1. Reactor Vessel and Piping Integrity
2. Aging of Reactor Components
3. Reactor Equipment Qualification
4. Thermal Hydraulic Code Applications and Maintenance
5. Plant Performance
6. Human Performance
7. Core Melt and Reactor Coolant System Failure
8. Reactor Containment Safety
9. Containment Structural Integrity
10. Seismic Safety
11. Probabilistic Risk Assessment
12. Severe Accident Analysis
13. Radiation Protection and Health Effects
14. Radionuclide Transport and Waste Management
15. Nuclear Fuel Analysis
16. Dry Cask Storage and Transport
17. Decommissioning
18. Advanced Reactor Designs
19. Fire Protection

ADDENDUM "B"

USNRC – CNSC SAFETY RESEARCH EXCHANGE AREAS IN WHICH THE CNSC IS PERFORMING OR SPONSORING SAFETY RESEARCH

1. Pressure Boundary Integrity
2. Integrity of Concrete Containment and Safety-Related Structures
3. Safety-Related Control and Electrical Systems
4. Physics and Fuel
5. Probabilistic Safety Assessment
6. Human Factors
7. Waste Management and Geosciences
8. Safety Analysis – Thermal Hydraulics Aspects
9. Seismic Hazard
10. Radiation Protection and Health Risks
11. Environmental Protection

INTELLECTUAL PROPERTY ADDENDUM

Pursuant to Appendix C of this Arrangement (Language of the U.S.-Canada AGREEMENT ON THE ALLOCATION OF INTELLECTUAL PROPERTY RIGHTS, INTERESTS AND ROYALTIES FOR INTELLECTUAL PROPERTY CREATED OR FURNISHED UNDER CERTAIN SCIENTIFIC AND TECHNOLOGICAL COOPERATIVE RESEARCH ACTIVITIES follows):

The Parties and the Cooperating Entities of the Parties shall ensure adequate and effective protection of intellectual property created or furnished in the course of Cooperative Research activities undertaken between the Government of the United States of America and the Government of Canada (hereinafter referred to as the Parties) or their designated governmental entities (hereinafter referred to as Cooperating Entities of the Parties) in the fields of science and technology whenever specifically agreed to by the Parties, or Cooperating Entities, in Written Arrangements. Rights to such Intellectual Property shall be allocated as set out in this Agreement.

I. DEFINITIONS

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.

"Cooperating Entities of the Parties" means federal Departments and Agencies of the Government the United States of America and the Government of Canada.

"Cooperative Research" means any activity carried on under Written Arrangements between Cooperating Entities of the Parties.

"Written Arrangement" means an Arrangement between the Parties or the Cooperating Entities of the Parties regarding Scientific and Technological Cooperative Research Activities which may incorporate the terms of this Agreement.

II. SCOPE

- A. Any Intellectual Property created as a result of scientific and technological cooperative research activities undertaken between the Parties or their Cooperating Entities shall be allocated according to the terms of this Agreement, unless otherwise specifically agreed by the Parties or their Cooperative Entities in writing.

- B. This Agreement addresses the allocation of rights, interests, and royalties between the Parties and between Cooperating Entities of the Parties with respect to cooperative research described in the preamble hereto. Each Party and each Cooperating Entity of the Party that is involved in a cooperative research activity shall ensure that the other Party and its Cooperating Entities can obtain the rights to Intellectual Property allocated in accordance with this Agreement. The Cooperating Entities of the Parties shall notify one another in a timely fashion of any Intellectual Property arising in the course of cooperative research and protect such Intellectual Property in a timely fashion. This Agreement does not otherwise alter or prejudice the allocation of Intellectual Property between a Party or the Cooperating Entities of the Parties, and its nationals, which shall be determined by the laws of that Party and the practices of the involved Cooperating Entities of the Parties.
- C. Disputes concerning intellectual property arising under this Agreement shall be resolved in accordance with any applicable Written Arrangements between the Cooperating Entities of the Parties, except that such Written Arrangements shall not include provisions which call for binding arbitration. In the event that an Applicable Written Arrangement does not include a dispute resolution mechanism, disputes arising under such an Arrangement shall be resolved through discussions between the Parties or the Cooperating Entities of the Parties. Upon mutual agreement of the Parties, a dispute shall be submitted to an arbitral tribunal for binding arbitration. Unless the Parties of the concerned Cooperating Entities agree otherwise in writing, the arbitration will be governed by the rules of UNCITRAL. From the date of receipt of an official request by a Party for arbitration and pending resolution of the matter the Intellectual Property shall be jointly managed (i.e., intellectual property shall be maintained) by the Cooperating Entities of the Parties, but shall not be commercially exploited except by mutual agreement, in writing.
- D. Termination or expiration of an Arrangement or this Agreement shall not affect the validity or duration of intellectual property rights or obligations that arise while an individual Written Arrangement is in force.

III. ALLOCATION OF RIGHTS

- A. Each Party or the concerned Cooperating Entities of the Parties shall be entitled to a non-exclusive, irrevocable, royalty-free license in all countries to translate, reproduce, and publicly distribute scientific and technical journal articles, public reports, and books directly arising from the Cooperative Research. Notwithstanding the preceding sentence, the Parties and the Cooperating Entities of the Parties shall abide by requirements for publication of scientific journals and books, including publishers rights where appropriate, when doing so would promote dissemination of information. 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 declines to be named.

- B. Rights to all forms of Intellectual Property, other than those rights described in Article III.(A) above, shall be allocated as follows:
1. Visiting researchers shall receive rights to Intellectual Property according to the policies of the host institution. In addition, each visiting researcher named as an inventor creator of Intellectual Property shall be entitled to the same treatment as accorded a national of the host country who is a visiting researcher with regard to awards, bonuses, benefits, royalties and any other awards in accordance with the policies and laws of the host institution.
 2. (a) For Intellectual Property created during joint research, when the Parties or their Cooperating Entities have agreed in advance on the scope of work, the Parties or their Cooperating Entities shall agree upon a Written Arrangement concerning the protection and allocation of rights regarding Intellectual Property that may be created during such research, either prior to the start of their cooperative activity or within a reasonable time from the time a Party or its Cooperating Entity becomes aware of the creation of Intellectual Property.
 - (b) In reaching agreement, the Parties or their Cooperating Entities shall consider the following factors: relative contributions of the Parties or their cooperating Entities, the benefits of exclusive or nonexclusive licensing by territory or for field of use, requirements imposed by the Parties' domestic laws, and other factors deemed appropriate. The Written Arrangement will normally address inter alia: ownership and protection of background and foreground information, user rights for research and development purposes, exploitation and dissemination, including Arrangements for joint publication, the rights and obligations of visiting researchers, the rules governing disclosure of undisclosed information, licensing, and dispute settlement procedures.
 - (c) Notwithstanding the foregoing, in light of the free trade agreement between the two Parties, if the Parties or their Cooperating Entities cannot reach agreement on a Written Arrangement within a reasonable time, not to exceed nine months from the time each Party or its Cooperating Entity is made aware of the creation of the Intellectual Property, the Parties or their Cooperating Entities shall jointly seek protection for the Intellectual Property in both countries. Each Party shall control Intellectual Property in its own territory and in all cases shall allow full market access to Cooperating Entities of the other Party to exploit their

Intellectual Property rights in accordance with the factors listed in paragraph 2.(b) above. Rights and interests in third countries shall be jointly determined.

3. In the event that either Party or its Cooperating Entity believes that a particular joint research project under this agreement will lead to, or has led to, the creation of Intellectual Property not protected by the applicable laws of one of the Parties, except in the case of copyright being unavailable for the works of the United States of America, the Parties or their Cooperating Entities shall immediately hold discussions to determine the allocation of the rights to the said Intellectual Property; the joint activities in question will be suspended during the discussions unless otherwise agreed in writing by the Parties or their Cooperating Entities thereto. If no agreement can be reached within a three month period from the date of the request for discussions, the Parties or their Cooperating Entities shall cease the cooperation in the project in question. Notwithstanding paragraph III.B.2., rights to any Intellectual Property which has been created will be resolved in accordance with the provisions of Article 11.C.

IV. BUSINESS-CONFIDENTIAL INFORMATION

In the event that information identified in a timely fashion as business confidential is furnished or created under a written Arrangement, each Party and its Cooperating Entities 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, the information is not generally known or publicly available from other sources, and the owner has not previously made the information available without imposing in a timely manner an obligation to keep it confidential. Without prior written consent, neither of the Parties or their Cooperating Entities shall disclose any business-confidential information provided by the other Party or its Cooperative Entity except to employees and government personnel authorized for the specific project. All such disclosures shall be for use only within the scope of their contracts or employment with the Parties or their Cooperating Entities relating to cooperation under the relevant written Arrangement. The Parties or their Cooperating Entities shall impose, or shall have imposed, an obligation on those receiving such information to keep it confidential. If one of the Parties or its Cooperating Entity becomes aware that, under its laws or regulations, it will be, or may reasonably be expected to become, unable to meet the nondisclosure provisions, it shall immediately inform the other Party or its Cooperating Entity. The Parties or their Cooperating Entities shall thereafter consult to define an appropriate course of action.