

Understanding Among the Government of Australia, the Government of the United Kingdom of Great Britain and Northern Ireland, and the Government of the United States of America

During the negotiation of the Agreement Among the Government of Australia, the Government of the United Kingdom of Great Britain and Northern Ireland, and the Government of the United States of America for Cooperation Related to Naval Nuclear Propulsion (“Agreement”), the Government of Australia (“Australia”), the Government of the United Kingdom of Great Britain and Northern Ireland (“United Kingdom”), and the Government of the United States of America (“United States”) (collectively, “Governments”) discussed their intended approach to certain Articles of the Agreement. The Governments desired to memorialize those discussions in this Understanding, which guides implementation, but which does not alter or form an integral part of the Agreement:

1. The Governments intend to jointly cooperate to facilitate Australia’s effective integration into, and use by, its naval nuclear propulsion program of any information communicated or exchanged pursuant to Article III of the Agreement.
2. The United States and the United Kingdom should make best efforts to transfer Material and Equipment to Australia, as may be agreed pursuant to Article IV and in accordance with their respective export control requirements.
3. The Governments intend to do all things practicable to obtain the necessary national authorizations and approvals under Article IX.B of the Agreement, including use of export exemptions where available under the Governments’ applicable export control laws and export permits, to enable appropriate dissemination and distribution of information, Material, and Equipment within the Governments’ jurisdictions.
4. Australia may directly, or may authorize Persons to, transfer and retransfer to the United States or the United Kingdom, in accordance with the Governments’ applicable laws, Material and Equipment related to Naval Nuclear Propulsion Plants, including component parts or spare parts thereof, of conventionally armed, nuclear-powered submarines, including for manufacture, operation, maintenance, regulation, and disposal.
5. The Governments reaffirm their commitment to setting the highest nonproliferation standard in connection with their cooperation pursuant to the Agreement, including in relation to Article VII of the Agreement and the Article 14 Arrangement. In this regard, the Governments affirm their objective of enabling the International Atomic Energy Agency to continue to verify that there is no diversion of nuclear material for the production of nuclear weapons or other nuclear explosive devices, no misuse of nuclear facilities, and no undeclared nuclear material or activities in Australia throughout the lifecycle of Australia’s conventionally armed, nuclear-powered submarine program.

6. The United States and the United Kingdom should not unreasonably withhold information, Material, or Equipment from Australia, and the Governments are expected to take all reasonable steps to facilitate in a timely manner any communication or exchange of information or transfer of Equipment and Material that may be authorized pursuant to the Agreement. The Governments affirm that cooperation under the Agreement is to be carried out in such a manner as to not adversely affect the ability of the United States and the United Kingdom to meet their respective military requirements and to not degrade their respective naval nuclear propulsion programs.
7. Without limiting or altering the legal rights or obligations provided for in Articles IV.E-F and V of the Agreement, the United States and the United Kingdom intend to apply their respective standards and quality control processes that they would apply for similar Material and Equipment for their own governmental uses to Material and Equipment to be transferred to Australia pursuant to the Agreement.
8. This Understanding becomes operative upon the date of the last signature below or the date on which the Agreement enters into force, whichever is later.
9. This Understanding may be modified as mutually decided in writing by the Governments.
10. This Understanding ceases to be operative on the same date that the Agreement expires or is terminated. A Government may discontinue its participation in this Understanding earlier and, in such case, should provide one year's written notice to the other Governments of its intent to do so.

Signed, in triplicate, at _____ on _____, 2024, in the English language.

For the Government of Australia:

**For the Government of the United Kingdom
of Great Britain and Northern Ireland:**

**For the Government of the United States
of America:**