



The Korean Peninsula Energy Development Organization
600 3rd Avenue, 12th Floor
New York, NY 10004

**Protocol between the Korean Peninsula Energy Development Organization
and the Government of the Democratic People's Republic of Korea on
Labor, Goods, Facilities and Other Services for the Implementation of a
Light-Water Reactor Project**

The Korean Peninsula Energy Development Organization (hereinafter referred to as "KEDO") and the Government of the Democratic People's Republic of Korea (the Democratic People's Republic of Korea is hereinafter referred to as the "DPRK"),

Reaffirming that KEDO and the DPRK shall faithfully perform their respective obligations under the Agreement on Supply of a Light-Water Reactor Project (hereinafter referred to as the "LWR project") to the DPRK between KEDO and the Government of the DPRK, signed on December 15, 1995 (hereinafter referred to as the "Agreement") and protocols to the Agreement,

Desiring to conclude a protocol in accordance with Article IX , paragraphs 4 and 6 of the Agreement concerning labor, goods, facilities and other services (hereinafter referred to as the "Protocol"),

Have agreed as follows:

PART 1

PURPOSE OF THE PROTOCOL AND GENERAL PRINCIPLES

ARTICLE 1

PURPOSE OF THE PROTOCOL

The purpose of the Protocol is for KEDO and the DPRK to establish the conditions under which labor, goods, facilities and other services shall be provided to KEDO, its contractors and subcontractors and their personnel, including persons under the auspices of KEDO and their accompanying family

members. (Personnel specified in this Article are hereinafter referred to as "KEDO Persons").

ARTICLE 2

GENERAL PRINCIPLES

1. The DPRK shall, to the extent possible, make available to KEDO, its contractors and subcontractors and KEDO Persons DPRK labor, goods, facilities and other services in accordance with Article IX, paragraph 4 of the Agreement if requested by KEDO, its contractors and subcontractors. For this purpose, the DPRK shall create or designate a company which shall be responsible for the provision of such DPRK labor, goods, facilities and other services (hereinafter referred to as the "DPRK Company").
2. KEDO and the DPRK, through the offices of KEDO and the DPRK established at and near the Project Site, respectively, shall cooperate closely with each other in order that KEDO, its contractors or subcontractors and the DPRK Company conclude and smoothly implement contracts for the provision of DPRK labor, goods, facilities and other services necessary for the expeditious and smooth implementation of the LWR project. The KEDO and DPRK offices, along with KEDO's contractors and subcontractors and the DPRK Company, shall exchange information and consult on the general principles and guidelines for the effective conclusion and implementation of contracts for the provision of DPRK labor, goods, facilities and other services.
3. KEDO, its contractors or subcontractors and the DPRK Company shall enter into and implement relevant contracts in accordance with the general principles and guidelines referenced in paragraph 2 of this Article. KEDO's contractors and subcontractors shall sign these contracts for the provision of DPRK labor, goods, facilities and other services as contractors or subcontractors of KEDO. The price for such labor, goods, facilities and other services shall be a fair price agreed between KEDO, its contractors and subcontractors and the DPRK Company. Such price shall be calculated in consideration of the price applied to joint ventures and foreign investment companies operating in the DPRK, and may vary according to productivity, skill levels and other relevant factors.
4. KEDO, its contractors and subcontractors shall pay all prices for labor, goods, facilities and other services provided through contracts with the DPRK Company, directly to the DPRK Company in U.S. dollars. All payments in the corridor/rest area between the power plant construction area and housing and recreation area shall also be made in U.S. dollars.

5. At the request of KEDO, its contractors or subcontractors, the DPRK shall make available information on financial services and other matters to ensure a fair price as agreed between KEDO and the DPRK.

PART 2: LABOR

ARTICLE 3

PROVISION OF DPRK LABOR

1. The DPRK Company shall, in a timely manner and to the extent possible, make available to KEDO, its contractors and subcontractors DPRK labor for the implementation of the LWR project in accordance with the Protocol.
2. For the purpose of the LWR project, KEDO, its contractors and subcontractors will use as many DPRK laborers as possible, taking into consideration the cost effectiveness and quality of labor, and will use laborers from KEDO member countries and countries that have contributed to KEDO to ensure the expeditious and smooth implementation of the LWR project. Following consultations with the DPRK Company, KEDO, its contractors and subcontractors may use laborers from other countries.
3. KEDO, its contractors and subcontractors shall submit to the DPRK Company their requests for DPRK labor. Upon receipt, the DPRK Company shall provide to KEDO, its contractors and subcontractors a list of DPRK laborers to be made available together with detailed relevant information about such laborers, including their professional qualifications. Following consultation with the DPRK Company, KEDO, its contractors and subcontractors may choose not to accept for work any DPRK laborer made available by the DPRK Company for the LWR project.
4. The DPRK Company shall ensure that DPRK laborers shall not act in any manner at the Project Site that disrupts the expeditious and smooth implementation of the LWR project.
5. KEDO, its contractors and subcontractors shall have the right to return any DPRK laborer working in connection with the LWR project prior to the end of a contract in conformity with its terms.

ARTICLE 4

WAGES

1. Wages to be specified in the relevant contracts referenced in Article 2 of the Protocol shall consist of basic wages, financial and other rewards for extraordinary work achievements, and allowances for hazardous work and overtime work, including work on Sunday and holidays. Wages for DPRK laborers shall be paid in accordance with the relevant contract.
2. The DPRK Company shall ensure that the wages specified in paragraph 1 of this Article shall be duly paid to the DPRK laborers concerned.

ARTICLE 5

SAFETY EDUCATION AND TRAINING

KEDO, its contractors or subcontractors shall provide to DPRK laborers working in connection with the LWR project a safe working environment, including safety education, relevant job training, protection equipment and other precautionary measures.

PART 3: GOODS AND FACILITIES

ARTICLE 6

GOODS

1. The DPRK Company shall, to the extent possible, make available goods that may be procured in the DPRK for the LWR project, including, but not limited to, the following items necessary for working and living by KEDO, its contractors and subcontractors and KEDO Persons in accordance with Article 2 of the Protocol:
 - a. items for living such as agricultural products, meat, fish, fruit and vegetables, potable water and foodstuffs;
 - b. items for construction such as cement, steel products, electrical concrete poles, gasoline, fuel, stable electricity, lumber and other materials and equipment, including building machinery.
2. KEDO, its contractors and subcontractors may choose not to accept any goods, made available by the DPRK Company for the LWR project, which are inconsistent with the relevant contracts specified in Article 2 of the Protocol.

3. For the purpose of providing amenities and other items to KEDO Persons, KEDO, its contractors and subcontractors may import to and export from the DPRK any goods they deem necessary, irrespective of the national origin of such goods, as specified in Articles 8 and 9 of the Protocol between KEDO and the Government of the DPRK on Site Take-over, Site Access and Use of the Site for the Implementation of a Light-Water Reactor Project.

ARTICLE 7

FACILITIES

1. For the purpose of providing amenities and other items to KEDO Persons, KEDO, its contractors and subcontractors may establish and operate within the Project Site facilities such as those referenced in the Annex of the Protocol. Such facilities shall be exempt from all DPRK charges and fees.
2. KEDO, its contractors and subcontractors may operate the facilities specified in paragraph 1 of this Article on a non-profit/cost recovery basis.
3. The DPRK may establish and operate facilities for lodging, dining, recreation, and other services outside the Project Site.

PART 4: SERVICES

ARTICLE 8

MEDICAL SERVICES

1. KEDO, its contractors and subcontractors may establish and operate their own medical facilities in the Project Site and for this purpose may bring a medical team to the Project Site, import to and export from the DPRK any medical equipment they deem appropriate, and may engage DPRK doctors, nurses and technicians, in accordance with Articles 2 and 3 of the Protocol.
2. The DPRK Company shall make available to KEDO Persons medical services available in the DPRK in accordance with Article 2 of the Protocol.

ARTICLE 9

FINANCIAL SERVICES

1. The DPRK shall make available to KEDO, its contractors and subcontractors and KEDO Persons currency exchanges at the exchange rate issued by the DPRK Foreign Trade Bank, and other financial services in accordance with Article 2 of the Protocol.
2. For the purpose of paragraph 1 of this Article, the DPRK Foreign Trade Bank and the Korea International Insurance Company of the DPRK shall establish and operate at a place agreed between KEDO and the DPRK within the Project Site a branch office of the bank and a branch office of the insurance company through which KEDO, its contractors, subcontractors and KEDO Persons may conduct financial transactions and purchase insurance. The branch office of the DPRK Foreign Trade Bank shall conduct all appropriate financial transactions and services until the establishment and operation of a branch of a joint venture bank or a representative office of a non-DPRK bank, as referenced in paragraph 4 of this Article, within the Project Site. The branch office of the Korea International Insurance Company of the DPRK may provide third-party liability insurance to KEDO, its contractors, subcontractors and KEDO Persons for their means of land transportation.
3. The DPRK shall allow non-DPRK banks and other financial institutions, as requested by KEDO, to establish and operate branches and to provide all appropriate financial services for KEDO, its contractors, subcontractors and KEDO persons within the Project Site fourteen months after the formal ground breaking ceremony for the site preparation for the LWR project or upon completion of such site preparation, whichever comes first. The financial services provided by the branches of the non-DPRK banks and other financial institutions referenced in this paragraph shall be used only in connection with the implementation of the LWR project.
4. As soon as possible after the entry into force of the Protocol, the DPRK shall allow non-DPRK banks, as requested by KEDO, to establish and operate representative offices within the Project Site, to provide such financial services as deposit accounts, currency exchanges, and electronic wire transfers for KEDO, its contractors, subcontractors and KEDO Persons. As soon as possible after the entry into force of the Protocol, the DPRK shall also allow joint venture banks, as requested by KEDO, to establish and operate branches and to provide all appropriate financial services to KEDO, its contractors, subcontractors and KEDO Persons within the Project Site, in accordance with the relevant laws and regulations of the DPRK.
5. In accordance with Article 3, paragraph 4 of the Protocol between KEDO and the Government of the Democratic People's Republic of Korea on the Juridical Status, Privileges and Immunities, and Consular Protection of KEDO

in the DPRK, KEDO, its contractors and subcontractors shall have no restrictions on the amount of funds and remittances they may transfer to and from the DPRK.

PART 5: GENERAL PROVISIONS

ARTICLE 10

ARRANGEMENT FOR THE IMPLEMENTATION OF THE PROTOCOL

KEDO and the DPRK shall have consultations to ensure the expeditious and smooth implementation of the Protocol. Such consultations, which shall include technical experts from KEDO and the DPRK as needed, shall occur upon the request of either side at the Project Site or, if necessary, at any other mutually agreed place.

ARTICLE 11

MISCELLANEOUS

Nothing in the Protocol affects any privileges, immunities and protection granted to KEDO, its contractors, subcontractors and KEDO Persons in the Agreement and its other protocols.

ARTICLE 12

GENERAL PROVISIONS

1. The Protocol shall enter into force on the date of its signature.
2. The Annex of the Protocol shall be an integral part of the Protocol.
3. The Protocol may be amended by written agreement between the two parties. Any amendment shall enter into force on the date of its signature.
4. Article XV of the Agreement shall apply to any disputes arising under the Protocol.

IN WITNESS WHEREOF, the undersigned, being duly authorized, have signed the Protocol.

Done at New York on the 8th of January, 1997, in duplicate in the English language.

For the Korean Peninsula Energy
Development Organization

For the Government of the Democratic
People's Republic of Korea

Stephen W. Bosworth
Executive Director
Korean Peninsula Energy
Development Organization

Ho Jong
Ambassador-at-Large
Ministry of Foreign Affairs
Democratic People's Republic of Korea

ANNEX

The facilities referenced in Article 7, paragraph 1 of the Protocol shall include:

1. Dining facilities
2. Commissary for foodstuffs and medicine
3. Hardware and dry goods facilities
4. Indoor and outdoor recreational facilities, including parks
5. Religious facilities

**MEMORANDUM OF UNDERSTANDING BETWEEN THE KOREAN
PENINSULA ENERGY DEVELOPMENT ORGANIZATION AND THE
GOVERNMENT OF DEMOCRATIC PEOPLE'S REPUBLIC OF KOREA ON
GENERAL PRINCIPLES ON AIR TRANSPORT**

In accordance with Article 2, paragraph 2 of the Protocol Between the Korean Peninsula Energy Development Organization and the Government of the Democratic People's Republic of Korea on Labor, Goods, Facilities and Other Services for the Implementation of a Light-Water Reactor Project (hereinafter referred to as the "Protocol"), the Korean Peninsula Energy Development Organization (hereinafter referred to as the "KEDO") and the Government of the Democratic People's Republic of Korea (the Democratic People's Republic of Korea is hereinafter referred to as the "DPRK") agree on the following general principles on air transport. The contents of this Memorandum of Understanding (hereinafter referred to as the "Memorandum") shall be interpreted within the framework of the Agreement on Supply of a Light-Water Reactor Project to the DPRK between KEDO and the Government of the DPRK (hereinafter referred to as the "Agreement") and its protocols.

1. USE OF SCHEDULED FLIGHT

- 1.1 The DPRK shall ensure that all personnel sent to the DPRK by KEDO, its contractors and subcontractors, as well as other persons in the DPRK under the auspices of KEDO and family members of the above persons, in connection with the LWR Project (hereinafter referred to as "KEDO Persons") can utilize the DPRK's scheduled flight in order to transport passengers or cargo between Beijing and Sunan.
- 1.2 Upon the request of KEDO, its contractors or subcontractors (hereinafter referred to as "KEDO's Purchaser"), the DPRK shall, in a timely manner, provide appropriate measures for transportation for passenger and cargo from Sunan Airport to the Project Site.

2. USE OF THE CHARTER FLIGHT

2.1 GENERAL

- 2.1.1 The DPRK shall guarantee safe flight and transportation for passengers and cargo by the charter flight.

- 2.1.2 The charter flight routes are Beijing-Sondok and vice versa, Sunan-Sondok and vice versa and additional routes agreed between the DPRK and KEDO.
- 2.1.3 Upon the request of KEDO's Purchaser, the DPRK shall provide an appropriate aircraft as specified in the Annex. KEDO's Purchaser shall have exclusive rights to the use of the seats and loading capacity of the charter flight.
- 2.1.4 The charter fee which KEDO's Purchaser will pay to the DPRK shall be a fair price agreed between the DPRK and KEDO's Purchaser based on the flight route and the type of aircraft. The DPRK shall not ask for any additional fee in relation to the operation of the charter flight except for the agreed charter fee.
- 2.1.5 The number of passengers and the weight of cargo and baggage admissible per flight shall be limited to the capacity of the aircraft.
- 2.1.6 The DPRK shall take every necessary measure to secure the safe landing and take-off of airplanes at Sondok Airport, giving special consideration to the prevailing conditions relevant to safety which exist at the time.

2.2 REQUEST AND NOTIFICATION OF FLIGHT

- 2.2.1 KEDO's Purchaser shall submit a charter application with the list of passengers and the list of cargo to the DPRK 17 days prior to the departure of the requested charter flight. The charter application shall be prepared by the KEDO's Purchaser, and shall be submitted to the DPRK General Bureau for the LWR Project at Kumho area.
- 2.2.2 The DPRK shall notify KEDO's Purchaser within 3 days of receipt of the charter application whether or not it is able to provide the specified aircraft.
- 2.2.3 KEDO's Purchaser and the DPRK shall sign the request form prepared in the charter contract 10 days prior to the charter flight's operation date.
- 2.2.4 KEDO's Purchaser shall be allowed to revise the list of passengers up to 2 days prior to the actual flight. KEDO's Purchaser shall be

allowed to revise a part of the list of cargo up to the time of the actual flight, subject to limitations on permissible cargo capacity.

2.3 IMPLEMENTATION

- 2.3.1 The DPRK shall provide KEDO's Purchaser with a charter aircraft on the date to be specified in the charter application. In the event that the DPRK is unable to provide KEDO's Purchaser with the agreed charter aircraft, the DPRK shall, through consultation with KEDO's Purchaser, provide an alternative aircraft from those listed in the Annex.
- 2.3.2 Except for delays due to the force majeure under the charter contract, the party which is responsible for a delay in flight shall be accountable for any additional expenses incurred due to the delay.
- 2.3.3 Except for cancellations due to the force majeure under the charter contract, the party which is responsible for the cancellation of a flight shall compensate the other party with cancellation charges as follows:
- 10% of the charter fee as agreed between the DPRK and KEDO's Purchaser if the cancellation notice is received by the other party less than 72 hours but not less than 48 hours prior to the scheduled time of departure.
 - 20% of the charter fee as agreed between the DPRK and KEDO's Purchaser if the cancellation notice is received by the other party less than 48 hours but not less than 24 hours prior to the scheduled time of departure.
 - 25% of the charter fee as agreed between the DPRK and KEDO's Purchaser if the cancellation notice is received by the other party less than 24 hours prior to the scheduled time of departure.

2.4. LIABILITY

The DPRK shall be liable for loss or damage suffered by KEDO's Purchaser or a third party whether to persons or to property in accordance with international conventions to which the DPRK is a party.

2.5. TERMS OF PAYMENT

Terms of payment will be covered by the General Principles and Guidelines for the Conclusion of Contracts on the Provision of Labor, Goods, Facilities and other Services by the DPRK and the specific charter contract for the charter flight.

2.6. MISCELLANEOUS

Matters not addressed in these General Principles shall be subject to generally accepted international practices of civil aviation.

3. ENTRY INTO FORCE AND AMENDMENTS

- 3.1 The Memorandum shall enter into force on the date of its signature.
- 3.2 The Annex of the Memorandum shall be an integral part of the Memorandum.
- 3.3 The Memorandum may be amended by written agreement between the two parties. Any amendment shall enter into force on the date of its signature.

Done at New York on the 2nd of July, 1997, in duplicate in the English language.

For the Korean Peninsula Energy
Development Organization

For the Government of the Democratic
People's Republic of Korea

Stephen W. Bosworth
Executive Director
Korean Peninsula Energy
Development Organization

Ho Jong
Ambassador-at-Large
Ministry of Foreign Affairs
Democratic People's Republic of Korea

ANNEX

DESCRIPTION OF THE CHART FLIGHTS

Flight Route	Type of Aircraft	Passenger Capacity (Person)	Cargo Capacity (ton)	Remarks
	AN24	35	0	
Sondok	IL18	98	2	
---	TU134	70	0.7	
Beijing	TU154	138	1.5	
v.v.	IL76	0	45	
	AN24	35	0.5	
Pyongyang	IL18	98	2	
---	TU134	70	1	
Sondok	TU154	138	1.5	
v.v.	IL76	0	45	
Helicopter	---	12	0.5	

Note: The weight of a passenger is considered as 100kg including passenger's baggage.

MEMORANDUM OF UNDERSTANDING BETWEEN THE KOREAN PENINSULA ENERGY DEVELOPMENT ORGANIZATION AND THE GOVERNMENT OF THE DEMOCRATIC PEOPLE'S REPUBLIC OF KOREA ON MEDICAL SERVICES AND MEDICAL EVACUATION ROUTES

The Korean Peninsula Energy Development Organization (hereinafter referred to as "KEDO") and the Government of the Democratic People's Republic of Korea (the Democratic People's Republic of Korea is hereinafter referred to as the "DPRK") have agreed on the following provisions for medical services and medical evacuation routes contained in this Memorandum of Understanding (hereinafter referred to as the "Memorandum"). The contents of the Memorandum shall be interpreted within the framework of the Agreement on Supply of a Light-Water Reactor Project to the DPRK between KEDO and the Government of the DPRK (hereinafter referred to as the "Agreement") and its protocols.

Definitions

1. "Site" means the Site specified in the Site Take-Over Certificate issued by the DPRK to KEDO.
2. "KEDO Persons" means all personnel sent to the DPRK by KEDO, its contractors and subcontractors, and members of KEDO delegations, as well as other persons under the auspices of KEDO and their family members in connection with the light-water reactor project.

Medical Care and Facilities at the Site

1. KEDO may bring to the Site its own medical team to provide medical services to KEDO Persons (hereinafter referred to as "KEDO's Medical Team"), and may establish and operate its own medical facilities, including, if deemed necessary by KEDO as the light-water reactor project progresses, a hospital.
2. In addition to providing medical services to KEDO Persons, KEDO's Medical Team may use the facilities specified in paragraph 1 of this Section to provide first-aid measures for DPRK laborers working at the Site as specified in the general principles and guidelines for services contracts agreed between KEDO and the DPRK.
3. Should an outbreak of an infectious disease occur on or in the vicinity of the Site, KEDO and the DPRK will cooperate immediately on measures needed to control the spread of that disease.

4. Upon the request from KEDO, a company or institution in the DPRK designated by the DPRK General Bureau for LWR Project (hereinafter referred to as the "DPRK Company") may, to the extent possible, make available to KEDO DPRK doctors and nurses for work in the medical facilities referenced in paragraph 1 of this Section. For this purpose, individual services contracts, which shall reflect the general principles and guidelines for services contracts agreed between KEDO and the DPRK, shall be entered into between KEDO's prime contractor and the DPRK Company.
5. In the event an injured or ill KEDO Person requires a blood transfusion, the DPRK, if requested by KEDO's Medical Team, shall immediately supply the required amount and type of blood to the extent possible. Such blood shall be provided by the Hospital referenced in Section III, paragraph 2 of the Memorandum or the Kangsang-ri Clinic. Any cost incurred by the DPRK in the provision of blood for blood transfusions for KEDO Persons shall be borne by KEDO, its contractors or subcontractors. The charge for the provision of such blood shall be a fair price agreed between KEDO and the DPRK.

Medical Care for KEDO Persons at Medical Facilities Outside the Site

1. When KEDO's Medical Team determines that a KEDO Person requires medical treatment outside of KEDO's medical facilities, Kangsang-ri Clinic shall be utilized whenever KEDO's Medical Team deems that Clinic sufficient and appropriate. Except in cases considered by KEDO's Medical Team to pose a serious emergency, KEDO's Medical Team will consult with medical personnel at Kangsang-ri Clinic before transporting an injured or ill KEDO Person to a DPRK hospital outside the Site. In such an emergency, KEDO's Medical Team will notify the Kangsang-ri Clinic of such transport.
2. The DPRK shall ensure that KEDO's Medical Team may use, together with DPRK medical personnel, any and all medical facilities at the DPRK's People's Hospital of South Hamgyong Province (hereinafter referred to as the "Hospital"), located in Hamheung City, for the medical treatment of KEDO Persons. In the event of such use of medical facilities, KEDO's Medical Team together with the DPRK medical staff shall make all decisions with regard to the length, level and type of medical treatment provided to an injured or ill KEDO Person at the Hospital.
3. The DPRK shall ensure that the Hospital makes an adequate number of beds available at all times for use by KEDO Persons. The DPRK further ensures that the Hospital shall provide an adequate number of medical staff, including persons who are specialists in internal medicine, general surgery, orthopedic surgery, neuro-surgery and anesthesia, at all times.

4. KEDO's prime contractor may enter into a contract with the Hospital for the use of its medical facilities and services. The terms and conditions of such contract shall be determined between KEDO's prime contractor and the DPRK Company and shall reflect the general principles and guidelines for services contracts agreed between KEDO and the DPRK, if and as appropriate.
5. In order to ensure the well being of an injured or ill KEDO Person KEDO and the DPRK shall cooperate to establish a direct and exclusive telephone line connecting the Hospital to the KEDO medical facilities.
6. After consulting with DPRK medical personnel, KEDO's Medical Team may use, together with DPRK medical personnel, medical facilities at other hospitals in the DPRK that are better equipped and maintained than the Hospital if such medical facilities are deemed more beneficial to the health and well being of an injured or ill KEDO Person. The DPRK shall facilitate communications between KEDO's Medical Team and such hospitals.
7. Any cost incurred during the use of any DPRK medical facilities and medical staff shall be borne by KEDO, its contractors or subcontractors. The charge for use of such facilities and medical staff shall be a fair price agreed between KEDO and the DPRK.
8. KEDO's Medical Team and the DPRK medical personnel shall always do their best to carry out medical treatment and operations on an ill or injured KEDO Person. In case serious physical and/or mental damages are incurred by KEDO Persons by gross negligence or refusal of medical treatment, appropriate measures will be taken in accordance with the result of consultations between KEDO and the DPRK.
9. Upon discharge from the Kangsang-ri Clinic, Hospital or other hospitals, the DPRK medical team shall provide to the KEDO Person who has been hospitalized or to KEDO's Medical Team a copy of all records pertaining to the medical treatment of such KEDO Person, including the medical diagnosis of DPRK doctors and the results of any tests or examinations.

Import and Operation of KEDO Ambulances and Emergency Transportation

1. KEDO's prime contractor may import to the DPRK and operate a necessary number of ambulances to transport KEDO Persons for medical treatment. The DPRK shall take all necessary measures for the smooth and expeditious import and operation of such ambulances, including issuing all necessary permits and licenses. The permits and licenses specified in this paragraph shall include a special permit and license which shall allow ambulances, their

drivers and KEDO's Medical Team to travel outside the Site following notification to DPRK authorities when responding to medical emergencies. The ambulances specified in this paragraph shall be equipped with communications equipment which shall allow direct communication between the ambulance and the Site and/or the Hospital which shall be used only in connection with a medical emergency. Within five working days of receiving the relevant applications, the DPRK shall issue all licenses and permits for the import and operation of such communications equipment. In the event that the ambulances referenced in this paragraph are unable to operate due to a temporary breakdown, the DPRK shall provide an adequate means of transportation for the purpose of responding to medical emergencies.

2. In the event that travel in an ambulance would jeopardize the safety and well being of an injured or ill KEDO Person, the DPRK, upon KEDO's request, shall provide transportation by any available means of expeditious transportation for such KEDO Person and accompanying members of KEDO's Medical Team to or from the Kangsang-ri Clinic, Hospital, other hospitals or Sondok Airport, under terms and conditions agreed between KEDO and the DPRK. The cost of using such means of expeditious transportation shall be borne by KEDO, its contractors or subcontractors. The charge for such means of expeditious transportation shall be a fair price agreed between KEDO and the DPRK.

Medical Evacuation Outside the DPRK

1. When the well being and health of an injured or ill KEDO Person necessitates medical evacuation to a location outside the DPRK, as deemed necessary by KEDO's Medical Team, KEDO, its contractors and subcontractors and the DPRK shall cooperate on such evacuation in accordance with Article 10, paragraph 6 of the Protocol between KEDO and the Government of the DPRK on Transportation for the Implementation of a Light-Water Reactor Project (hereinafter referred to as the "Protocol").
2. With reference to paragraph 1 of this Section, KEDO and the DPRK shall agree upon expeditious and efficient evacuation methods and routes for KEDO Persons by land and by air in accordance with Paragraph 3 of Article 2 and Paragraph 3 of Article 3 of the Protocol.
3. With reference to paragraph 1 of this Section and notwithstanding the provisions of paragraph 2 of this Section, the DPRK, upon entry into force of the Memorandum, shall allow medical evacuation of an injured or ill KEDO Person by air. For this purpose KEDO, its contractors and subcontractors may enter into a contract with an international air rescue service, such as International SOS Assistance, to provide medical air evacuation services.

When performing a medical evacuation by air such international air rescue service shall fly to Sondok Airport from Beijing in a medically equipped aircraft using the Beijing-Sondok air route specified in Article 3, paragraph 2 of the Protocol. KEDO and the DPRK shall agree within one month after the start of Site preparation work on the exit air routes and procedures for flight clearance for such medical evacuation by air. In accordance with such procedures, the DPRK shall provide flight clearance to the air ambulance operated by the international air rescue service immediately upon receiving a request for flight clearance, either verbal or written, from KEDO or the international air rescue service.

Entry Into Force and Amendments

The Memorandum shall enter into force on the date of its signature. The Memorandum may be amended by written agreement between the two parties. Any amendment shall enter into force on the date of its signature.

Done at New York on the 2nd of July, 1997, in duplicate in the English language.

For the Korean Peninsula Energy
Development Organization

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Stephen W. Bosworth
Executive Director
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