

# REPORT ON FORCE MAJEURE STATUS AND DISPOSITION

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**Yves Carmel**

*STCU Executive Director (Canada)*

## **Status of FORCE MAJEURE**

On June 12 2002, the Governing Board of STCU adopted a resolution that called for the declaration of FORCE MAJEURE, should the GoU fail to fulfil its obligation to provide safe and suitable office space for the regular operations of the Centre. The resolution requested the ED to make the determination, based on the evolution of the situation with the building.

On Friday October 11, STCU declared FORCE MAJEURE and started to vacate the Laboratornyj Provulok 3 building. This office location had been without electricity for approximately 12 hours and it was clear at the time that the authorities would not be able to re-establish power to the building.

Effective Tuesday October 15, all Institute directors and project managers of the regular Ukrainian projects were informed of the application of FORCE MAJEURE and were instructed to suspend all project activities until further notice. No work, travelling activities or purchasing has been done on those projects since October 15.

On December 3, at the express request of the USA, the parties agreed to resume work on the DOE/IPP projects (5 projects).

The continued application of FORCE MAJEURE affects approximately 191 projects and 3881 scientists.

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## **Sequence of events for STCU to resume full operation**

All the agreements required for STCU to take possession of the new building have been signed. The last step to be resolved is to obtain the key to the building and formally take possession.

From the moment STCU has taken possession, approximately 6 weeks are required for the Telecommunication system to be installed. This is the only significant work required for STCU to regain complete operational capabilities.

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## **Disposition of FORCE MAJEURE**

As soon as STCU is granted formal possession of the new building, a progressive lift of the FORCE MAJEURE conditions on the regular Ukrainian projects is recommended:

- All regular projects will be requested to submit an agreement of variation, to take into account the suspension period.
- Payments for any and all expenses will resume only after STCU is fully operational.
- Project participants may resume work on project and accrue time for future payment (only when STCU is fully operational).
- No traveling or purchasing activities will be permitted until STCU is fully operational.