

DEFENSE

Cooperation

**Memorandum of Understanding
Between the
UNITED STATES OF AMERICA
and the UNITED KINGDOM OF GREAT BRITAIN
AND NORTHERN IRELAND**

Signed at St. Louis December 15, 2004

with

Annexes

and

Agreement Amending the
Memorandum of Understanding

Signed at St. Louis and London
September 8 and November 19, 2008



NOTE BY THE DEPARTMENT OF STATE

Pursuant to Public Law 89—497, approved July 8, 1966
(80 Stat. 271; 1 U.S.C. 113)—

“ . . .the Treaties and Other International Acts Series issued under the authority of the Secretary of State shall be competent evidence . . . of the treaties, international agreements other than treaties, and proclamations by the President of such treaties and international agreements other than treaties, as the case may be, therein contained, in all the courts of law and equity and of maritime jurisdiction, and in all the tribunals and public offices of the United States, and of the several States, without any further proof or authentication thereof.”

**UNITED KINGDOM OF GREAT BRITAIN
AND NORTHERN IRELAND**

Defense: Cooperation

Memorandum of understanding signed at

St. Louis December 15, 2004;

Entered into force December 15, 2004.

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And agreement amending the

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September 8 and November 19, 2008;

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MEMORANDUM OF UNDERSTANDING
BETWEEN
THE SECRETARY OF DEFENSE
ON BEHALF OF THE DEPARTMENT OF DEFENSE
OF THE UNITED STATES OF AMERICA
AND THE
SECRETARY OF STATE FOR DEFENCE OF THE
UNITED KINGDOM OF GREAT BRITAIN
AND NORTHERN IRELAND
CONCERNING COLLABORATION ON
LAND BATTLESPACE SYSTEMS
(Short Title: Land Battlespace MOU)

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SECTION I

INTRODUCTION

The Secretary of Defense of the United States of America (U.S. DoD) and the Secretary of State for Defence of the United Kingdom of Great Britain and Northern Ireland (UK MoD), hereinafter referred to as the “Participants”:

Recognizing that the Agreement Concerning Defense Cooperation Arrangements of 27 May 1993 between the Government of the United States of America and the Government of the United Kingdom of Great Britain and Northern Ireland applies to this MOU;

Recognizing that the Memorandum of Understanding between the Government of the United States of America and the Government of the United Kingdom of Great Britain and Northern Ireland Relating to Principles Governing Cooperation in Research and Development, Production, Procurement and Logistic Support of Defence Equipment dated 13 December 1994 or any successor thereto applies to this MOU;

Recognizing the exchange of letters between the Prime Minister of the United Kingdom and the President of the United States of America dated 17 July 2003 aimed at increasing defence and security co-operation and removing barriers to information exchange;

Recognizing the applicability to this MOU of the Agreement between the Parties to the North Atlantic Treaty regarding Status of their Forces, signed in London, UK on 19 June 1951;

Having a common interest in defense; and

Recognizing the benefits to be obtained from standardization, rationalization, and interoperability of military equipments;

Desiring to improve their mutual conventional defense capabilities through the application of emerging technology;

Having a mutual interest in the design, analysis, development, production, and deployment, and support of Land Battlespace Systems (LBS) to satisfy national operational requirements; and

Having independently conducted research on and exploratory development of the applications of various technologies, recognize the benefits of cooperation in LBS projects of mutual interest;

Desiring to co-operate and collaborate in the analysis, design, development, production, support and disposal of interoperable LBS and LBS components;

Have reached the following understandings:

SECTION II

DEFINITIONS AND ACRONYMS

The Participants have jointly decided upon the following definitions for terms used in this MOU:

ACTD	Advanced Concept Technology Demonstration.
CADMID	Sequence for UK acquisition programs: Concept, Assessment, Demonstration, Manufacturing, In Service, Disposal.
Classified Information	Official Information that requires protection in the interests of national security and is so designated by the application of a security classification marking (equivalent to the term "Protective Marking" in the UK). This information may be in oral, visual, magnetic or documentary form or in the form of equipment or technology.
Computer Database	A collection of data recorded in a form capable of being processed by a computer. This definition does not include Computer Software.
Computer Program	A set of instructions, rules, or routines recorded in a form that is capable of causing a computer to perform a specific operation or series of operations.
Computer Software	Computer Programs, source code, source code listings, design details, algorithms, processes, flow charts, formulae, and related materials that would enable the software to be reproduced, recreated, or recompiled. Computer Software does not include Computer Databases or Computer Software Documentation.
Computer Software Documentation	Owner's manuals, user's manuals, installation instructions, operating instruction, and other similar items, regardless of storage medium, that explain the capabilities of the Computer Software or provide instructions for using the Computer Software.
Contract	Any mutually binding legal relationship under national laws that obligates a Contractor to furnish supplies or services for any activity under this MOU, and

obligates one or both of the Participants to pay for them.

Contracting	The obtaining of supplies or services by Contract from sources outside the government organizations of the Participants. Contracting includes describing (but not deciding) of supplies and services required, solicitation and selection of sources, preparation and award of Contracts, and all phases of Contract administration.
Contracting Agency	The entity within the government organizations of a Participant which has authority to enter into, administer, or terminate Contracts.
Contracting Officer	A person representing a Contracting Agency of a Participant who has the authority to enter into, administer, or terminate Contracts.
Contractor	Any entity awarded a Contract by a Participant's Contracting Agency.
Contractor Support Personnel	Persons specifically identified in support contracts who provide administrative, managerial, scientific, or technical support services to a Participant under a Contract with that Participant that prohibits the persons from using information received under that contract for any other purpose than those required under the contract.
Controlled Unclassified Information	Unclassified information to which access or distribution limitations have been applied in accordance with applicable national laws or regulations. Whether the information is provided or generated under this MOU, the information will be marked to identify its "in confidence" nature. U.S. export-controlled technical data will be marked as "International Traffic in Arms Regulations (ITAR)-Controlled". U.K. export-controlled technical data will be marked as "Export Control Act Controlled". It could include information which has been declassified but remains controlled.
Cooperative Project Personnel (CPP)	Military members or civilian employees of a Participant assigned to the Project who perform managerial, engineering, technical, administrative, Contracting, logistics, financial, planning, or other

functions in furtherance of the Project.

Cost Ceiling

The maximum amount of financial costs to which the Cost Target for a Project Arrangement (PA) may move without the prior written approval of the Participants.

Cost Target

The accepted planning figure of the financial cost for a PA.

DPA

The Defence Procurement Agency of the UK MoD.

Defense Purposes

Manufacture or other use in any part of the world by or for the armed forces of the Participants.

Designated Security Authority (DSA)

The security office approved by national authorities to be responsible for the security aspects of this MOU.

Equipment and Material

Any material, equipment, end item, subsystem, component, special tooling or test equipment jointly acquired or provided for use in a Land Battlespace Systems Activity.

E&MT

Equipment and Material Transfer.

Financial Costs

PA expenditure met with monetary contributions.

Host Participant

The Participant whose nation serves as the location of a Joint Project Office (JPO), also where Cooperative Project Personnel are assigned for duty pursuant to the Land Battlespace System (LBS) MOU.

Initial Operational Capability (IOC)

The Initial Operational Capability (IOC) is the first attainment of the ability to employ a weapon, item of equipment, or system, in a way that contributes to the operational capability of the organization concerned; the equipment being manned or operated by a unit or force which is adequately trained, equipped and supported for employment of the equipment in sufficient parts of its operational role to contribute to operational capability. At IOC date or declaration, only a minimal or initial level of operational capability may be presented. Subsequently, other operating modes will be progressively cleared for use, and further operating Units trained and deployed. The full operational capability (FOC) of the equipment will then be achieved at a later date.

Information	Any information, regardless of form or type, including, but not limited to, that of a scientific, technical, business, or financial nature, and also including photographs, reports, manuals, threat data, experimental data, test data, computer software, designs, specifications, processes, techniques, inventions, drawings, technical writings, sound recordings, pictorial representations, and other graphical presentations, whether in magnetic tape, computer memory, or any other form and whether or not subject to copyright, Patent, or other legal protection.
Joint Project Office (JPO)	A project management office composed of representatives from each Participant established, as required, to manage a Project under a PA. Costs associated with the staffing of these offices are borne by each country as defined in a PA.
Land Battlespace	The land-air and littoral environment in which ground maneuver forces operate.
Land Battlespace System (LBS)	Military hardware (and supporting software) at system, sub-system or component level, that functions within the Land Battlespace. LBS will fulfill a range of combat, combat support and combat service support roles across the full conflict spectrum, and will be optimized to exploit the network. It includes, inter alia, the ability to project, protect and sustain ground manoeuvre force elements, establish and maintain network-based information dominance, create superior operational tempo, shape the battlespace, and conduct decisive operations.
Land Battlespace System (LBS) Activity	Any authorized activity in support of the Scope (Section III) under this MOU.
Non-financial Costs	PA resources expended or met with non-monetary contributions.
Participant	A signatory to this MOU represented by its military and civilian personnel. Contractors and Contractor Support Personnel will not be representatives of a Participant under this MOU.

Parent Participant	The Participant that sends its CPP to a Project office or JPO located in the nation of the other Participant.
Patent	Legal protection of the right to exclude others from making, using, keeping, importing or selling an invention. The term refers to any and all patents including, but not limited to, patents of implementation, improvement, or addition; petty patents; utility models; appearance design patents; registered designs; and inventor certificates or like statutory protection as well as divisions, reissues, continuations, renewals, and extensions of any of these.
Project	Any collaborative effort undertaken in accordance with this MOU.
Project Arrangement (PA)	An implementing arrangement, added after this MOU has entered into effect, which specifically details the arrangement for collaboration on a LBS project between the Participants.
PA Participant	In relation to any PA, a Participant in that PA.
Project Background Information	Information not generated in the performance of this MOU.
Project Foreground Information	Project Information generated in the performance of this MOU.
Project Information	Any Information provided to, generated in, or used in a Project regardless of form or type, including, but not limited to, that of a scientific, technical, business, or financial nature, and also including photographs, reports, manuals, threat data, experimental data, test data, computer software, designs, specifications, processes, techniques, inventions, drawings, technical writings, sound recordings, pictorial representations, and other graphical presentations, whether in magnetic media, machine readable media, computer memory, or any other form and whether or not subject to copyright, Patent, or other legal protection.
Project Invention	Any invention or discovery formulated or made (conceived or "first actually reduced to practice") in the course of work performed under the Project. The term first actually reduced to practice means the first

demonstration, sufficient to establish to one skilled in the art to which the invention pertains, of the operability of an invention for its intended purpose and in its intended environment.

Project Manager
(PM)

A person appointed by the PA Participants who has primary responsibility for effective implementation, efficient management, and direction of a PA.

Project Officer

A person appointed by the PA Participants who will be responsible for implementing the conditions of this MOU and for carrying out the work required in a specific PA.

Project Plan

Document that provides a description of the Project's major events, delivery requirements and milestones that is updated periodically.

Project Purposes

Any use by or for a Participant relating to the Project, whether carried out jointly or separately by the Participants.

Project-related
Databases,
Computer Programs,
Computer Software,
and Computer
Software
Documentation

All computer-related Project Information associated with Project development, production, and logistics support efforts. Examples include, but are not limited to production engineering software, training software, and test equipment software.

Special Tooling

Jigs, dies, fixtures, molds, patterns, tapes, gauges, other equipment and manufacturing aids, and all components of these items, which are of such a specialized nature that without substantial modification or alteration their use is limited to the development or production of particular supplies or parts thereof or to the performance of particular services and excluding material, special test equipment, facilities (except foundations and similar improvements necessary for installing special tooling), general or special machine tools, or similar capital items.

Steering Committee
(SC)

Representatives appointed by each Participant with delegated executive-level responsibility for policy guidance and management oversight of the MOU.

Terms of Reference (TOR)	Working Group charter document describing scope, membership, legal status and effective dates.
Third Party	A government other than the government of a Participant and any person or other entity whose government is not the government of a Participant.
Working Group	A group established by the SC to examine areas of mutual interest.

SECTION III

OBJECTIVES

- 3.1 This MOU establishes a comprehensive framework for implementing a cooperative program of work on mutually decided topics related to LBS in order to improve the understanding of the Participants' national LBS programs, leverage their industrial and technological excellence and thereby enhance interoperability.
 - 3.1.1 This MOU, therefore, provides the means for the Participants to define and establish the general principles which will apply to the initiation, conduct, and management of information exchange, harmonization and alignment efforts and LBS PAs entered into by the Participants in accordance with this MOU.
 - 3.1.2 Further, this MOU provides the means for the Participants to acquaint each other with any LBS issues in order to avoid unnecessary duplication of national LBS defense programs and promotes a concerted action to identify and close important gaps in their LBS defense capabilities.

SECTION IV

SCOPE OF WORK

- 4.1 The scope of the work under this MOU includes, but is not limited to:
- 4.1.1 conducting informed discussions and information exchanges for national study, evaluation and assessment efforts for the purposes of investigating capability gaps, exploring opportunities for requirements harmonization, improving understanding of Participants' national LBS programs, and identifying areas of potential cooperation or for use in national LBS programs to enhance Participants' interoperability.
 - 4.1.2 addressing specific LBS issues and capabilities, including but not limited to:
 - 4.1.2.1 tactics, techniques, methods and procedures for the employment of LBS;
 - 4.1.2.2 the identification of system modifications;
 - 4.1.2.3 enhancement of interoperability between Participants' systems;
 - 4.1.2.4 open and common architectures for LBS and LBS components;
 - 4.1.2.5 risk management and risk mitigation, focused on sharing technology road maps and tools;
 - 4.1.2.6 efforts to share and optimize logistics support systems; and
 - 4.1.2.7 war fighter modeling, simulation and experimentation.
 - 4.1.3 conducting cooperative LBS design, development, production and support activities;
 - 4.1.4 collaborating in the conduct of ACTDs;
 - 4.1.5 enhancing LBS rationalization, standardization, and interoperability;
 - 4.1.6 assigning one or more CPP to either a Participant's LBS project office or any supporting PA.
- 4.2 The following mechanisms will be utilized to undertake the LBS activities described in paragraph 4.1:
- 4.2.1 Information Exchange:
 - 4.2.1.1 Information may be exchanged under this MOU for any purpose under the scope of this MOU, including harmonizing the Participants' respective LBS requirements and for formulating, developing and negotiating the arrangements for any LBS

Activity. Information exchange will take place on an equitable basis.

4.2.1.2 Computer Data Bases, Computer Software or Computer Software Documentation associated with LBS Activities may be transferred under this MOU in accordance with national procedures, subject to the following limitations:

4.2.1.2.1 such transfers should be necessary or useful to the conduct of the LBS Activities as determined by the providing Participant; and

4.2.1.2.2 such transfers may occur only where the providing Participant has obtained national authority for such release, in writing. Such release may be subject to restrictions on use imposed by the providing Participant.

4.2.2 Working Groups (WGs):

4.2.2.1 WGs may be established to explore, study, and report on specific LBS issues. A WG will be limited in scope to a single, well-defined area and will endeavor to assess the LBS issue based on information provided by the Participants in such a way as to arrive at a jointly determined position within a set time limit. Each WG will have its own written TOR.

4.2.3 LBS Project Arrangements (PA):

4.2.3.1 Each LBS PA will include specific provisions, consistent with this MOU, concerning the objectives, scope, sharing of work, management structure, financial arrangements, contractual arrangements (if required), exchange or assignment of personnel (if required), Equipment and Material Transfer (E&MT) and disposal (if required), disclosure and use of information and security classification guidance. LBS PAs will conform to the format at Annex A (Model LBS PA).

4.2.4 Equipment and Material Transfer (E&MT):

4.2.4.1 Transfers of Equipment and Material between the Participants in pursuit of LBS Activities will be conducted in accordance with Section IX (Equipment and Material Transfers), and will be documented in a LBS PA (Annex A) or by using the E&MT Form (Annex C).

4.2.5 Advanced Concept Technology Demonstrations (ACTDs):

4.2.5.1 The Participants recognize that it may be to their mutual advantage to conduct technology demonstrations, such as ACTDs, to evaluate evolving technology and LBS concepts. The plan for the demonstrations will be documented in a LBS PA (Annex A) tailored to the specifics of the project.

4.2.6 Familiarization Visits:

4.2.6.1 Familiarization visits may occur, in accordance with Section XII (Visits to Establishments) to promote awareness of each others' facilities and to identify potential cooperative opportunities.

4.2.7 Cooperative Project Personnel (CPP):

4.2.7.1 CPP may be assigned to a Project Office for Project work and will report to their designated Project Office supervisor regarding that work.

SECTION V

MANAGEMENT (ORGANIZATION AND RESPONSIBILITIES)

- 5.1. This MOU and any associated PAs will be directed and administered on behalf of the Participants by an organization consisting of a Steering Committee (SC) and Project Managers (PMs) appointed by the Participants. The SC will have overall authority over the PMs, in accordance with this MOU. The PMs will have primary responsibility for effective implementation, efficient management, and direction of the subsequently developed PAs in accordance with this MOU. The Participants will maintain and fund their own organizations for managing LBS Activities. The Participants may assign military or civilian employees to serve as CPPs in support of LBS Activities.
- 5.2. For each specific PA, Project Officers (POs) appointed by the Participants will be responsible for carrying out the scope of work. PAs will allow for establishment of a JPO.
- 5.3. The SC will consist of the U.S. Army's Program Manager, Unit of Action, and the UK Ministry of Defence's Director of Equipment Capability (Ground Manoeuvre). The SC will meet every six months, with additional meetings held at the request of either Participant. The representative hosting the meeting will chair the meeting. The Participants will alternate hosting the SC meetings unless otherwise decided. Decisions of the SC will be made unanimously. In the event that the SC is unable to reach a timely decision on an issue, each SC representative will refer the issue to their higher authorities for resolution. In the meantime, existing PAs will continue to be implemented without interruption under the direction of the respective PM pending resolution of the issue.
- 5.4. The SC will be responsible for:
 - 5.4.1 Exercising executive-level oversight and direction of the Project.
 - 5.4.2 Approving the establishment of WGs and their TOR.
 - 5.4.3 Reviewing the status reports submitted by the PMs.
 - 5.4.4 Reviewing progress of PAs.
 - 5.4.5 Maintaining oversight of the security aspects of this MOU.
 - 5.4.6 Resolving issues brought forth by the PMs.
 - 5.4.7 Reviewing and forwarding to the Participants for approval recommended amendments to this MOU in accordance with Section XX (Entry Into Effect, Duration, Amendment and Termination).

- 5.4.8 Recommending to the Participants the provisions under which a new Participant may join this MOU in accordance with Section XVI (Participation of Additional Nations).
 - 5.4.9 Monitoring Third Party Sales and Third Party transfers authorized in accordance with Section XIV (Third Party Sales and Transfers).
 - 5.4.10 Approving plans for the transfer of Equipment and Material provided by a Participant in accordance with Section IX (Equipment and Material Transfer).
 - 5.4.11 Approving plans for the disposal of jointly acquired Equipment and Material under this MOU in accordance with Section IX (Equipment and Material).
- 5.5. The PMs will be responsible for:
- 5.5.1 Managing the day-to-day activities associated with this MOU.
 - 5.5.2 Reviewing and recommending TOR for WGs and forwarding to the SC for approval.
 - 5.5.3 Referring issues to the SC that cannot be resolved by the PMs.
 - 5.5.4 Developing and recommending amendments to this MOU and its Annexes to the SC.
 - 5.5.5 Ensuring appointment of Project Security Officers.
 - 5.5.6 Ensuring development of and forwarding to the SC a Project Security Instruction and a Classification Guide for the MOU within three months after signature of the MOU, and implementing them upon final approval by the DSA.
 - 5.5.7 Forwarding recommendations to the SC for the addition of new Participants in accordance with Section XVI (Participation of Additional Nations).
 - 5.5.8 Providing status reports to the SC.
 - 5.5.9 Implementing actions as directed by the SC.
- 5.6 The POs' duties will be defined in detail in the specific PAs. However, generally they will be responsible for:

- 5.6.1 Managing and executing the cost, schedule, performance requirements, technical, and financial aspects (in accordance with Section VI of this MOU) of a PA.
- 5.6.2 Ensuring appointment of a designated PA Security Manager(s).
- 5.6.3 Ensuring development of and forwarding to the PMs the Classification Guide for the PA and any proposed updates to the MOU Project Security Instruction within three months after signature of a PA, and implementing them upon final approval.

5.7 Working Groups

- 5.7.1 WGs will be established by the SC as necessary to examine areas of mutual interest and/or to perform work under specific PAs of this MOU. WGs will consist of representatives from the Participants. Each Participant will have one vote in WG matters, although a Participant may have as many representatives attend WG meetings as the Participant deems necessary. WGs will meet at least annually, and more often if deemed necessary. The location and chairmanship of meetings will rotate between the Participants, with the hosting Participant providing, without charge, appropriate meeting facilities, including security and administrative support.
- 5.7.2 WGs will be responsible for:
 - 5.7.2.1 Implementing their TOR. WGs will develop and submit required changes to their TOR to the PMs if applicable, then to the SC for approval.
 - 5.7.2.2 Submitting a proposed PA through the PMs for review and endorsement to the SC for approval.
 - 5.7.2.3 Interacting with and providing information to other WGs, as directed by either the PMs or the SC.
 - 5.7.2.4 Referring issues to the PMs or the SC that cannot be resolved at the WG level.

SECTION VI

FINANCIAL PROVISIONS

- 6.1 This MOU itself creates no financial commitments regarding individual PAs or any other activity. Detailed descriptions of the Financial and Non-financial provisions for a specific PA or other activity including each Participant's accepted cost share will be described and approved in that PA.
- 6.2 Each Participant will contribute its equitable share of the full Financial Costs and Non-financial Costs of the PA(s), including overhead costs, administrative costs, and costs of claims, and will receive an equitable share of the results of each PA as mutually determined by the Participants.
- 6.3 For each PA, the POs will be responsible for proposing and managing the detailed financial management procedures under which the PA will operate. These procedures, as required, will be detailed in a Financial Management Procedures Document (FMPD) proposed by the POs and agreed by the PMs.
- 6.4. The following costs will be borne entirely by the Participant incurring the costs or on whose behalf the costs are incurred:
 - 6.4.1 costs associated with national representation at meetings;
 - 6.4.2 costs associated with any unique national requirements identified by a Participant;
 - 6.4.3 any other costs not expressly stated as shared costs or any costs that are outside the scope of this MOU and its PAs.
- 6.5 Each Participant will perform, or have performed, its tasks and will use its best efforts to perform the tasks within the cost estimates specified in each PA. Each Participant will bear the full costs it incurs for performing, managing, and administering its own activities under this MOU and participation in each PA, including its share of the costs of any Contracts awarded pursuant to paragraph 6.11.
- 6.6 For PAs with shared costs that involve the establishment of a JPO with CPP assignments to the other PA Participant's facilities or the JPO, the PA will address the Financial and Non-financial contribution required for JPO administration and associated support services including, but not limited to, JPO costs of travel incurred in support of Project efforts, JPO training costs, Contract award, Contract administration, office space, security services, information technology services, communications services, and supplies.

6.7 In addition to the shared costs of the JPO administration and associated support services costs described in paragraph 6.6, the cost of CPP in the JPO or assigned to the other Participant's facilities will be borne as follows:

6.7.1 The Host Participant will bear the cost of all pay and allowances of host personnel in the JPO.

6.7.2 The Parent Participant of the CPP will bear the following costs related to their CPP:

6.7.2.1 all pay and allowances in accordance with their national arrangements;

6.7.2.2 transportation of the CPP, the CPP's dependents, and their personal property to the place of assignment in the Host Participant's nation prior to the CPP's commencement of a tour of duty in the JPO or activity, and return transportation of the foregoing from the place of assignment in the Host Participant's nation upon completion or termination of the tour of duty;

6.7.2.3 subject to availability, the Host Participant will provide CPP with messing and accommodation to the same standard as would be provided to its own personnel. CPP will bear the costs of messing and accommodation, and in addition to rent will bear any applicable incidental costs which are not included in rental rates such as heating, gas, water, power, garbage disposal, etc.

6.7.2.4 compensation for loss of, or damage to, the personal property of CPP or the CPP's dependents, subject to the Parent Participant's laws and regulations;

6.7.2.5 preparation and shipment of remains and funeral expenses in the event of the death of the CPP or the CPP's dependents; and

6.7.2.6 all temporary duty costs, including travel costs, when such duty is carried out pursuant to a unique requirement of the Parent Participant.

6.8 For PAs that do not involve the establishment of a JPO, but do involve the assignment of one Participant's CPP to the facilities of another, the Participants will bear the costs as set forth in paragraph 6.7.2. The Host Participant will also be responsible for the following:

6.8.1 all temporary duty costs, including travel costs in connection with the performance of any duty pursuant to a requirement of the Host Participant carried out in support of a PA or other activities governed by the MOU;

6.8.2 costs incurred as a result of a change in location in work ordered by the Host Participant during the period of assignment;

- 6.8.3 administrative and support costs such as CPP-related training, office space, security services, information technology services, communications services, supplies, and use of facilities and equipment necessary for the performance of tasks assigned to the CPP.
- 6.9 A PA Participant will promptly notify the other PA Participant if available funds are not adequate to fulfill its obligations under a PA, or if it appears that the cost ceiling (or cost target) will be exceeded. The PA Participants will immediately consult with a view toward continuation on a modified basis. In the event that an understanding to continue on a modified basis cannot be reached by the PA Participants, the PA Participant having reduced or modified its funding will be deemed to have notified the other PA Participant of its intent to terminate the relevant PA, and the provisions of Section XX (Entry Into Effect, Duration, Amendment, and Termination) of this MOU will apply.
- 6.10 For PAs where a Participant contracts on behalf of the other Participant with the written authority of the other Participant, the POs will be responsible for proposing to the PM the detailed financial management procedures under which the PA will operate prior to the transfer of funds between the Participants. The procedures, which will accord with national accounting and audit requirements of the Participants, will be detailed in a FMPD. Each Participant will provide funds in the amounts and at the times planned in the estimated schedule for monetary contributions, as specified in the FMPD.
- 6.11 The Participants recognize that it may become necessary for one Participant, with the authority of the other Participant, to incur contractual or other responsibilities for the benefit of the other Participant prior to receipt of the other Participant's funds. In the event that one Participant incurs such responsibilities, the other Participant will make such funds available in such amounts and at such times as may be required by the Contract or other responsibility, and will pay any damages and costs that may accrue from the performance of or cancellation of the Contract or other responsibility where such performance or cancellation is done following prior consultation with the other Participant, in advance of the time such payments, damages, or costs are due.
- 6.12 Each Participant will be responsible for the audit of its activities or its Contractors' activities pursuant to a PA. A Participant's audits will be in accordance with its own national practices. For PAs where funds are transferred between the Participants, the receiving Participant will be responsible for the internal audit regarding administration of the other Participant's funds in accordance with the receiving Participant's national practices. Audit reports of such funds will be promptly made available by the receiving Participant to the other Participant.
- 6.13 The Participant hosting the JPO or Contracting on behalf of the Participants will be responsible for the audit of the procurement activities for which it is responsible under the Project in accordance with its national practices. The Host Participant

will be responsible for the internal audit regarding administration of the other Participant's Project funds in accordance with its national practices. Audit reports of such funds will be promptly made available by the Host Participant to the other Participant.

- 6.14 Where one Participant's national auditors need to obtain additional specific data or to inspect records to be able to fulfill their national obligations, the other Participant will facilitate access to such information. Any audit reports will be made available to the other Participant.

SECTION VII

CONTRACTING PROVISIONS

- 7.1 If a Participant determines that Contracting is necessary to fulfill that Participant's responsibilities under Section IV (Scope of Work) of this MOU, that Participant will contract in accordance with its respective national laws, regulations, and procedures with such waivers and deviations its procedures permit and as deemed necessary to implement the provisions of this MOU. Where such Contracts are placed by competition, sources from the Participants' industries will be allowed to compete on an equal basis for such Contracts.
- 7.2 When a Participant individually contracts to perform a task under this MOU, it will be solely responsible for its own Contracting, and the other Participant will not be subject to any liability arising from such Contracts, without its prior written consent.
- 7.3 Each Participant's Contracting Agency will negotiate to obtain the rights to use and disclose Project Information required by Section X (Disclosure and Use of Project Information). Each Participant's Contracting Agency will insert into its prospective Contracts (and require its subcontractors to insert in subcontracts) suitable provisions to satisfy the requirements of this MOU, including Section X (Disclosure and Use of Project Information), Section XI (Controlled Unclassified Information), Section XIII (Security), Section XIV (Third Party Sales and Transfers), and Section XX (Entry into Effect, Duration, Amendment and Termination), including suitable provisions for ensuring compliance with the Participants' respective export control laws and implementing regulations. During the Contracting process, each Participant's Contracting Officer will advise prospective Contractors of their responsibility to immediately notify the Contracting Agency, before Contract award, if they are subject to any license or agreement that will restrict that Participants' freedom to disclose information or permit its use. The Contracting Officer will also advise prospective Contractors to employ their best efforts not to enter into any new agreement or arrangement that will result in restrictions.
- 7.4 In the event a Participant's Contracting Agency is unable to secure adequate rights to use and disclose Project Information as required by Section X (Disclosure and Use of Project Information), or is notified by Contractors or potential Contractors of any restrictions on the disclosure and use of Project Information, that Participant's Contracting Agency will refer the matter to the PMs/JPO who will submit it to the SC for resolution.
- 7.5 The transfer of export-controlled information furnished by one Participant will be authorized by the Government of the furnishing Participant only to those Contractors of the other Participant who will limit the end use of the Information

received for the sole purpose of furthering the purposes authorized under this MOU or applicable PA. The Participants will establish legal arrangements with their Contractors to ensure that their Contractors do not retransfer or otherwise use export-controlled information for any purpose other than authorized under this MOU or the applicable PA. Such legal arrangements will also provide that the Contractor will not re-transfer the export-controlled information to another Contractor without the Government of the furnishing Participant's consent.

- 7.6 Each Participant's PO will promptly advise the other Participant's PO of any cost growth, schedule delay, performance problems, or proposals to terminate any Contract for which its Contracting Agency is responsible.
- 7.7 The Contracting Officer will ensure that the PMs are provided with sufficient information concerning the Contract and its execution to enable them to fulfill their relevant responsibilities. The Contracting Participant's Contracting Officer will be the exclusive source for providing contractual direction and instructions to Contractors.
- 7.8 Normal Contract administration services support (such as audit, quality assurance, pricing or cost investigations) will be provided in accordance with the Memorandum of Understanding between the Government of the United States of America and the Government of the United Kingdom Relating to the Principles Governing Cooperation in Research and Development, Production, Procurement, and Logistics Support of Defence Equipment, dated 13 December 1994, or any successor thereto or other existing arrangements between the Participants.
- 7.9 If the Participants determine that it is necessary under a PA that one Participant contract on behalf of the other Participant for tasks under that PA, the Participant will contract in accordance with its respective national laws, regulations, and procedures. Such contractual arrangements will be detailed in the particular PA. Where such Contracts are placed by competition, sources from the Participants' industries will be allowed to compete on an equal basis for such Contracts. The Contracting Officer will be the exclusive source for providing contractual direction and instructions to Contractors. The POs will be responsible for the coordination of activities relating to this MOU and its PAs and will cooperate with the Contracting Officer in the areas of Contract procedures, Contract negotiation, evaluation of offers, and Contract award. The Contracting Officer will also keep the POs advised of all financial arrangements with Contractors.
- 7.10 Upon mutual consent, consistent with Section III (Objectives), a Participant may contract for the unique national requirements of the other Participant.

SECTION VIII

WORK SHARING

- 8.1 No requirement will be imposed on any Participant for work sharing or other industrial or commercial compensation in connection with this MOU that is not in accordance with this MOU.

SECTION IX

EQUIPMENT AND MATERIAL TRANSFERS

- 9.1 For the purpose of carrying out a PA, each Participant may transfer, without charge to the other Participant, such Equipment and Material identified in a PA as being necessary. Such a PA will provide specific details of any transfer of Equipment and Material. Equipment and Material will remain the property of the providing Participant. Equipment and Material identified at the time of PA signature will be detailed in the PA as set out in Annex A. Approval for all transfers will be in accordance with national procedures.
- 9.2 For transfers of Equipment and Material not documented in a PA, each Participant may transfer, without charge to the other Participant, Equipment and Material to be documented using the model at Annex C (E&MT Form). While such transfers will be based on the principle of reciprocity, exact item for item exchanges are not required. Approval for all transfers will be in accordance with national procedures.
- 9.3 The POs will maintain a list of all Equipment and Material transferred pursuant to a PA or E&MT Form. All Project Equipment that is transferred will be used by the receiving Participant only for the purposes of carrying out this MOU, unless otherwise consented to in writing by the providing Participant. In addition, in accordance with Section XIII (Third Party Sales and Transfers) Project Equipment will not be re-transferred to a Third Party without the prior written consent of the providing Participant.
- 9.4 Equipment and Material transferred will be used by the receiving Participant only for the purposes of this MOU. Equipment and Material will remain the property of the providing Participant. In addition, the receiving Participant will maintain the Equipment and Material in good order, repair, and operable condition. Unless the providing Participant has consented that the transferred Equipment and Material may be expended or otherwise consumed without reimbursement to the providing Participant, the receiving Participant will return the Equipment and Material to the providing Participant in as good condition as received, reasonable wear and tear excepted, or return the Equipment and Material and pay the cost to restore the Equipment and Material to such condition. If the Equipment and Material is damaged beyond economical repair, the receiving Participant will return the Equipment and Material to the providing Participant (unless otherwise specified in writing by the providing Participant) and pay the replacement value as computed pursuant to the providing Participant's national laws, regulations, and procedures. If the Equipment and Material is lost or stolen while in the custody of the receiving Participant, the receiving Participant will issue a certificate of loss to the providing Participant and pay the replacement value as computed pursuant to the providing Participant's national laws, regulations, and procedures. If known at the time of entry into effect, the replacement value of the Project Equipment will be specified in the PA and E&MT form. When appropriate, the providing and receiving Participants may

specify that in no case will any payment respecting damage or loss exceed the amount indicated in the applicable PA or E&MT Form.

- 9.5 The providing Participant will make every effort to ensure that the Equipment and Material is furnished in a serviceable and usable condition according to its intended purpose. However, the providing Participant makes no warranty or guarantee of fitness of the Equipment and Material for a particular purpose or use, and makes no commitment to alter, improve, or adapt the Equipment and Material, or any part thereof.
- 9.6 The providing Participant will transfer the Equipment and Material for the approved period, unless extended by written amendment, provided that the duration will not exceed the effective period of the PA or E&MT Form.
- 9.7 The providing Participant, at its expense, will deliver the Equipment and Material to the receiving Participant at the location mutually approved. Responsibility for Equipment and Material will pass from the providing Participant to the receiving Participant at time of receipt. Any further transportation is the responsibility of the receiving Participant.
- 9.8 The providing Participant will furnish the receiving Participant such information as is necessary to enable the Equipment and Material to be used, maintained, and safely operated for its intended purposes.
- 9.9 The receiving Participant will inspect the Equipment and Material upon receipt. The receiving Participant will also inspect the Equipment and Material prior to its return (unless the Equipment and Material is to be expended or consumed).
- 9.10 Upon expiration or termination of the transfer period specified in a PA or E&MT Form (taking into account any extension), the receiving Participant will return the Equipment and Material, at its expense, to the providing Participant at the location mutually approved. Any further transportation will be the responsibility of the providing Participant.
- 9.11 The receiving Participant will provide written notice of consumption or expenditure of Equipment and Material approved for such consumption or expenditure. In the event the intended consumption or expenditure does not occur, the receiving Participant will, unless otherwise determined by the providing Participant, return the Equipment and Material, at its expense, to the providing Participant at the location mutually approved. Any further transportation will be the responsibility of the providing Participant.
- 9.12 The Participants will ensure, by all reasonable means, the protection of intellectual property rights in Equipment and Material.

- 9.13 Any Equipment and Material that is jointly acquired on behalf of the PA Participants for use under a PA will be disposed of as mutually approved by them.
- 9.14 Disposal of jointly acquired Equipment and Material may include a transfer of the interest of the PA Participants in such Equipment and Material to one Participant, or the sale of such Equipment and Material to a Third Party in accordance with Section XII (Third Party Sales and Transfers). The PA Participants will share the consideration from jointly acquired Equipment and Material transferred or sold to a Third Party in the same ratio as costs are shared under the relevant PA to this MOU.

SECTION X

DISCLOSURE AND USE OF PROJECT INFORMATION

- 10.1 The Participants may exchange Information under this MOU through the SC or their designated representatives for the purposes of understanding the Participants' respective LBS requirements, evaluation, and assessment with a view to identifying areas for cooperation, and for formulating, developing and negotiating the arrangements for any LBS Activity in accordance with Section IV (Scope of Work) of this MOU. The furnishing Participant will clearly indicate to the receiving Participant that it is furnishing Information for these purposes. The disclosure and use of information provisions which govern these Information exchange activities are as follows:
- 10.1.1 A Participant (including its Contractor Support Personnel) may only use the Information exchanged under this MOU for information and evaluation purposes and for conducting initial risk reduction and concept studies relating to the aims set out in Section III of this MOU. The specific prior written consent of the originating Participant is required for any other use or disclosure, including disclosure to Contractors.
- 10.1.2 A receiving Participant will ensure that Contractor Support Personnel or Contractors to whom it discloses Information received under this MOU are under a legally binding obligation not to further disclose such Information, or to use such Information for other than information and evaluation purposes, without prior written authorization.
- 10.1.3 No transfer of ownership of Information exchanged under this MOU will occur via the provisions thereof, and hence such Information will remain the property of the originating Participant or the holder of the proprietary rights. Transfer of such Information to Contractors will be consistent with each Participant's applicable respective export control laws and regulations.
- 10.1.4 The Participants may exchange Information under this MOU only where both of the following conditions are met:
- 10.1.4.1 Information may be exchanged without incurring a liability to holders of proprietary rights therein.
- 10.1.4.2 Disclosure of the Information is consistent with national disclosure policies and regulations of the originating Participant.

10.2 The Participants recognize that successful collaboration depends on full and prompt exchange of information necessary for carrying out this MOU. The Participants intend to acquire sufficient Project Information and rights to use such information to enable the design, development, production, deployment, maintenance, support, and disposal of LBS. The nature and amount of Project Information to be acquired will be consistent with the objectives stated in Section III (Objectives), Section IV (Scope of Work), and the PAs under this MOU.

10.3 Government Project Foreground Information.

10.3.1 Disclosure: Project Foreground Information generated by a Participant's military or civilian employees will be disclosed without charge to both Participants.

10.3.2 Use: Each Participant may use all Government Project Foreground Information without charge for Defense Purposes. The Participant generating Government Project Foreground Information will also retain its rights of use thereto. Any sale or other transfer to a Third Party will be subject to the provisions of Section XIV (Third Party Sales and Transfers) of this MOU.

10.4 Government Project Background Information.

10.4.1 Disclosure: Each Participant, upon request, will disclose to the other Participant any relevant Government Project Background Information generated by its military or civilian employees, provided that:

10.4.1.1 such Project Background Information is necessary to or useful in the Project, with the Participant in possession of the information determining whether it is "necessary to" or "useful in" the Project;

10.4.1.2 such Project Background Information may be made available without incurring liability to holders of proprietary rights;

10.4.1.3 disclosure is consistent with national disclosure policies and regulations of the furnishing Participant; and

10.4.1.4 any disclosure or transfer of such Government Project Background Information to Contractors is consistent with the furnishing Participant's export control laws and regulations.

10.4.2 Use: Government Project Background Information disclosed by one Participant to the other may be used without charge by the other Participant for Project Purposes only. However, the furnishing Participant will retain all its rights with respect to such Project Background Information.

10.5 Contractor Project Foreground Information.

10.5.1 Disclosure: Project Foreground Information generated and delivered by Contractors, will be disclosed without charge to both Participants.

10.5.2 Use: Each Participant may use without charge for Defense Purposes, all Contractor Project Foreground Information generated and delivered by Contractors of the other Participant. The Participant whose Contractors generate and deliver Contractor Project Foreground Information will also retain rights of use thereto in accordance with the applicable Contract(s). Any sale or other transfer to a Third Party of Contractor Project Foreground Information will be subject to the provisions of Section XIV (Third Party Sales and Transfers) of the MOU.

10.6 Contractor Project Background Information.

10.6.1 Disclosure: Any Project Background Information, (including information subject to proprietary rights) generated and delivered by Contractors will be made available to the other Participant provided the following provisions are met:

10.6.1.1 such Project Background Information is necessary to or useful in the Project, with the Participant in possession of the information determining whether it is “necessary to” or “useful in” the Project;

10.6.1.2 such Project Background Information may be made available without incurring liability to holders of proprietary rights;

10.6.1.3 disclosure is consistent with national disclosure policies and regulations of the furnishing Participant; and

10.6.1.4 Any disclosure or transfer of such Contractor Project Background Information to Contractors is consistent with the furnishing Participant's export control laws and regulations.

10.6.2 Use: Project Background Information furnished by one Participant’s Contractors and disclosed to the other Participant may be used without charge by the other Participant for Project Purposes only, and may be subject to further restrictions by holders of proprietary rights. Additional restrictions required by the furnishing Participant may be included in specific PAs. However, the furnishing Participant will retain all its rights with respect to such Project Background Information.

10.7 Alternative Uses of Project Information

10.7.1 Any Project Background Information provided by one Participant will be used by the other Participant only for the purposes set forth in this MOU, unless otherwise consented to in writing by the providing Participant.

10.7.2 The prior written consent of the disclosing Participant will be required for the use of Project Foreground Information by the receiving Participant for purposes other than those provided for in this MOU.

10.8 Proprietary Project Information.

10.8.1 All Project Information subject to proprietary interests will be identified and marked, and it will be handled in accordance with Section XI (Controlled Unclassified Information) and Section XIII (Security), as appropriate.

10.8.2 The provisions of the NATO Agreement on the Communication of Technical Information for Defence Purposes, signed at Brussels on 19 October 1970, and the Implementing Procedures for NATO Agreement on the Communication of Technical Information for Defence Purposes, approved by the North Atlantic Council on 1 January 1971, will apply to proprietary Project Information related to this MOU.

10.9 Patents

10.9.1 Each Participant will include in all its Contracts a provision governing the disposition of rights in regard to Project Inventions and Patent rights relating thereto, which either:

10.9.1.1 Provides that the Participant will hold title to all Project Inventions together with the right to make Patent applications for the same, free of encumbrance from the Contractor; or

10.9.1.2 Provides that the Contractor will hold title (or may elect to retain title) for Project Inventions together with the right to make Patent applications for the same, while securing for the Participants a license for the Project Inventions, and any Patents thereto, on terms in compliance with the provisions of paragraph 10.9.4 below.

10.9.2 In the event that a Contractor holds title (or elects to retain title) for a Project Invention, the Contracting Participant will secure for the other Participant a non-exclusive, irrevocable, royalty-free license under all Patents secured for that invention, to practice or have practiced the patented Project Invention for Defense Purposes throughout the world unless otherwise specified in a PA.

- 10.9.3 The provisions of subparagraphs 10.9.4 through 10.9.7 below will apply in regard to Patent rights for all Project Inventions made by either Participant's military or civilian employees, including those within Government-owned facilities, and for all Project Inventions made by Contractors for which the Contracting Participant holds title or is entitled to acquire title.
- 10.9.4 Where a Participant owns title to a Project Invention, or has the right to receive title to a Project Invention, that Participant will consult with the other Participant regarding the filing of a Patent application for such Project Invention. The Participant which has or receives title to such Project Invention will, in other countries, file, cause to be filed, or provide the other Participant with the opportunity to file on behalf of the Participant holding title, or its Contractors, as appropriate, Patent applications covering that Project Invention. If a Participant having filed or caused to be filed a Patent application decides to stop prosecution of the application, that Participant will notify the other Participant of that decision and permit the other Participant to continue the prosecution.
- 10.9.5 The other Participant will be furnished with copies of Patent applications filed and Patents granted with regard to Project Inventions.
- 10.9.6 The other Participant will acquire a non-exclusive, irrevocable, royalty-free license to practice or have practiced, by or on behalf of the Participant, throughout the world for Defense Purposes, any Project Invention.
- 10.9.7 Patent applications to be filed under this MOU which contain Classified Information will be protected and safeguarded in accordance with the requirements contained in the NATO Agreement for Mutual Safeguarding of Secrecy of Inventions Relating to Defense and for Which Applications for Patents Have Been Made, signed in Paris on 21 September 1960, and its Implementing Procedures.
- 10.9.8 Each Participant will notify the other Participant of any Patent infringement claims made in its territory arising in the course of work performed under a PA. Insofar as possible, the other Participant will provide information available to it that may assist in defending the claim. Each Participant will be responsible for handling all Patent infringement claims made in its territory, and will consult with the other Participant during the handling, and prior to any settlement, of such claims. The Participants will share in the costs of resolving Patent infringement claims in the same percentage as they share the full Financial and Non-financial Costs (taking account of each Participant's respective production off-take where relevant) of the Project or mutually consent to alternative arrangement. The Participants will, in accordance with their national laws and practices, give their authorization and consent for all use and manufacture in the course of work performed

under the Project of any invention covered by a Patent issued by their respective countries.

SECTION XI

CONTROLLED UNCLASSIFIED INFORMATION

- 11.1 Except as otherwise provided in this MOU or as authorized in writing by the originating Participant, Controlled Unclassified Information provided or generated pursuant to this MOU will be controlled as follows:
 - 11.1.1 Such information will be used only for the purposes authorized for use of Project Information as specified in Section X (Disclosure and Use of Project Information).
 - 11.1.2 Access to such information will be limited to personnel for whom access is necessary for the permitted use under subparagraph 11.1.1 and will be subject to the provisions of Section XIV (Third Party Sales and Transfers).
 - 11.1.3 Each Participant will take all lawful steps, which may include national classification, available to it to keep such information free from further disclosure (including requests under any legislative provisions), except as provided in subparagraph 11.1.2, unless the originating Participant consents to such disclosure. In the event of unauthorized disclosure, or if it becomes probable that the information may have to be further disclosed under any legislative provisions, immediate notification will be given to the originating Participant.
- 11.2 To assist in providing the appropriate controls, the originating Participant will ensure that Controlled Unclassified Information is appropriately marked. The Participants will decide, in advance and in writing, on the markings to be placed on the Controlled Unclassified Information. The appropriate markings will be defined in the Project Security Instructions.
- 11.3 Controlled Unclassified Information provided or generated pursuant to this MOU will be handled in a manner that ensures control as provided for in paragraph 11.1.
- 11.4 Prior to authorizing the release of Controlled Unclassified Information to Contractors, the Participants will ensure the Contractors are legally bound to control such information in accordance with the provisions of this MOU.

SECTION XII

VISITS TO ESTABLISHMENTS

- 12.1 Each Participant will permit visits to its government establishments, agencies and laboratories, and Contractor industrial facilities by employees of the other Participant or by employees of the other Participant's Contractor(s), provided that the visit is authorized by the sending and receiving Participants and the employees have any necessary and appropriate security clearances and need-to-know.
- 12.2 All visiting personnel will be required to comply with security regulations of the hosting Participant. Any Information disclosed or made available to visitors will be treated as if supplied to the Participant sponsoring the visiting personnel, and will be subject to the provisions of this MOU.
- 12.3 Requests for visits by personnel of one Participant to a facility of the other Participant will be coordinated through official channels, and will conform with the established visit procedures of the Host Participant. Requests for visits will bear the name of the Project.
- 12.4 Lists of personnel of each Participant required to visit, on a continuing basis, facilities of another Participant will be submitted through official channels in accordance with recurring international visit procedures.

SECTION XIII

SECURITY

- 13.1 All Classified Information or material provided or generated pursuant to this MOU will be stored, handled, transmitted, and safeguarded in accordance with the General Security Agreement between the Government of the United Kingdom of Great Britain and Northern Ireland and the Government of the United States of America, dated 14 April 1961, as amended, including the Industrial Security Annex thereto, of 27 January 2003 as amended, and other relevant security agreements between the Participants.
- 13.2 Classified Information will be transferred only through official government-to-government channels or through channels approved by the Designated Security Authorities (DSAs) of the Participants. Such information will bear the level of classification; and denote the country of origin, the provisions of release, and the fact that the information relates to this MOU.
- 13.3 Each Participant will take all lawful steps available to it to ensure that Classified Information provided or generated pursuant to this MOU is protected from further disclosure, except as permitted by paragraph 13.9, unless the other Participant consents to such disclosure. Accordingly, each Participant will ensure that:
- 13.3.1 The recipient will not release the Classified Information to any government, national, organization, or any other entity of a Third Party without the prior written consent of the originating Participant in accordance with the procedures detailed in Section XIV (Third Party Sales and Transfers).
- 13.3.2 The recipient will not use the Classified Information for other than the purposes provided for in this MOU.
- 13.3.3 The recipient will comply with any distribution and access restrictions on information that is provided under this MOU.
- 13.4 The Participants will investigate all cases in which it is known or where there are grounds for suspecting that Classified Information provided or generated pursuant to this MOU has been lost or disclosed to unauthorized persons. Each Participant also will promptly and fully inform the other Participant of the details of any such occurrences, of the final results of the investigation, and of the corrective action taken to preclude recurrences.
- 13.5 A Project Security Instruction (PSI) and Classification Guide (CG) for the Project will be jointly prepared by the PMs within three months after this MOU enters into effect and forwarded for approval by the appropriate DSAs. The PSI and CG will describe the methods by which Project Background Information, Project

Foreground Information and material will be classified, marked, used, transmitted, and safeguarded and will be applicable to all government and Contractor personnel participating in the Project. The PSI and CG will be subject to regular review and revision whenever this is appropriate.

- 13.6 The Participants recognize that certain Classified Project Information, both Foreground and Background, may be subject to special restrictions which will be established in accordance with the PSI.
- 13.7 When any LBS Activity contains provisions for the exchange of Classified Information or Materiel, POs (for PAs) and PMs (for WGs and Information Exchange) will jointly prepare an updated PSI, as necessary, and a CG for the LBS Activity. The PSI and CG will be developed by the POs (for PAs) and PMs (for WGs and Information Exchange) within three months after a LBS Activity enters into effect. They will be reviewed and forwarded to the appropriate DSAs, and will be applicable to all government and Contractor personnel participating in the LBS Activity.
- 13.8 The DSA of the Participant in which a classified Contract is awarded will assume responsibility for administering within its territory security measures for the protection of the Classified Information, in accordance with its laws and regulations. Prior to the release to a Contractor, prospective Contractor, or Subcontractor of any Classified Information received under this MOU, the DSA will:
 - 13.8.1 Ensure that such Contractor, prospective Contractor or subcontractor and their facility (ies) have the capability to protect the Classified Information adequately.
 - 13.8.2 Grant a security clearance to the facility (ies), if appropriate.
 - 13.8.3 Grant a security clearance for all personnel whose duties require access to Classified Information, if appropriate.
 - 13.8.4 Ensure that all persons having access to the Classified Information are informed of their responsibilities to protect the Classified Information in accordance with national security laws and regulations, and provisions of this MOU.
 - 13.8.5 Carry out periodic security inspections of cleared facilities to ensure that the Classified Information is properly protected.
 - 13.8.6 Ensure that access to the Classified Information is limited to those persons who have a need-to-know for the purposes of the MOU.

- 13.9 Contractors, prospective Contractors, or subcontractors which are determined by DSAs to be under financial, administrative, policy or management control of nationals or entities of a Third Party, may participate in a Contract or subcontract requiring access to Classified Information provided or generated pursuant to this MOU only when enforceable measures are in effect to ensure that nationals or other entities of a Third Party will not have access to Classified Information. If enforceable measures are not in effect to preclude access by nationals or other entities of a Third Party, the other Participant will be consulted for approval prior to permitting such access.
- 13.10 For any facility wherein Classified Information is to be used, the responsible Participant or Contractor will approve the appointment of a person or persons to exercise effectively the responsibilities for safeguarding at such facility the information pertaining to this MOU. These officials will be responsible for limiting access to Classified Information involved in this MOU to those persons who have been properly approved for access and have a need-to-know.
- 13.11 Each Participant will ensure that access to the Classified Information is limited to those persons who possess requisite security clearances and have a specific need for access to the Classified Information in order to participate in the Project.
- 13.12 Information or material provided or generated in accordance with the MOU may be classified up to and including Secret. Information exchanged or generated pursuant to a PA may, on a case-by-case basis, be classified as high as Top Secret if such is consistent with the national disclosure policies of the Participants. The existence of this MOU is Unclassified and the contents are Unclassified.

SECTION XIV

THIRD PARTY SALES AND TRANSFERS

- 14.1 The Participants will not sell, transfer title to, disclose, or transfer possession of Project Foreground Information, jointly acquired Equipment and Material, or any item produced either wholly or in part from Project Foreground Information to any Third Party without the prior written consent of the Government of the other Participant. Furthermore, the Participants will not permit any such sale, disclosure, or transfer, including by the owner of the item, without the prior written consent of the Government of the other Participant. Such consent will not be given unless the Government of the intended recipient consents in writing with the other Participant that it will:
- 14.1.1 not retransfer, or permit the further retransfer of, any equipment or information provided; and
 - 14.1.2 use, or permit the use of, the equipment or information provided only for the purposes specified by the Participants.
- 14.2 The Participants will not sell, transfer title to, disclose, or transfer possession of Equipment and Material or Project Background Information provided by the other Participant to any Third Party without the prior written consent of the Government of the Participant that provided such equipment or information. The providing Participant's Government will be solely responsible for authorizing such transfers and, as applicable, specifying the method and provisions for implementing such transfers.
- 14.3 Consent for Third Party sales and transfers of Project Foreground Information, jointly acquired Project Equipment, or any item produced either wholly or in part from Project Foreground Information will be subject to foreign policy, national security considerations, and national laws, regulations and policies. A Participant's Government's approval of the other Participant's Government's proposed sale or transfer to a Third Party will take into account its willingness to sell or transfer such equipment or information to the same Third Party.

SECTION XV

LIABILITY AND CLAIMS

- 15.1 Claims against any Participant or its personnel will be dealt with in accordance with the provisions of Article VIII of the NATO Status of Forces Agreement (NATO SOFA) dated 19 June 1951. Civilian employees of the Participants assigned to duty within their Government's Defense Department or Ministry will be deemed for the purpose of Article VIII of NATO SOFA to be members of a civilian component within the meaning of Article I of NATO SOFA while present in the territory of the other Participant for the purpose of this MOU.
- 15.2 Claims arising under or related to any Contract awarded pursuant to Section VI (Contracting Provisions) will be resolved in accordance with the provisions of the Contract.
- 15.3 Employees and agents of Contractors will not be considered to be civilian personnel employed by a Participant for the purpose of paragraph 15.1.

SECTION XVI

PARTICIPATION OF ADDITIONAL NATIONS

- 16.1 It is recognized that other national defense organizations may wish to join this MOU.
- 16.2 Mutual consent of the Participants will be required to conduct discussions with potential additional Participants. The Participants will discuss the arrangements under which another Participant might join, including the furnishing of releasable Project Information for evaluation prior to joining. If the disclosure of Project Information is necessary to conduct discussions, such disclosure will be in accordance with Section X (Disclosure and Use of Project Information), Section XI (Controlled Unclassified Information), and Section XIV (Third Party Sales and Transfers).
- 16.3 The SC will jointly formulate the provisions under which additional Participants may join, having regard to advice provided by the PMs. The addition of new Participants will require an amendment to this MOU.
- 16.4 Where any additional Participant joins this MOU, the expression “the other Participant” wherever used in this MOU will be read as “the other Participants” unless the context otherwise requires.

SECTION XVII

CUSTOMS DUTIES, TAXES, AND SIMILAR CHARGES

- 17.1 Customs duties, import and export taxes, and similar charges will be administered in accordance with each Participant's respective laws and regulations. Insofar as existing national laws and regulations permit, the Participants will endeavor to ensure that such readily identifiable duties, taxes, and similar charges, as well as quantitative or other restrictions on imports and exports, are not imposed in connection with work carried out under this MOU.
- 17.2 Each Participant will use its best efforts to ensure that customs duties, import and export taxes, and similar charges are administered in a manner favorable to the efficient and economical conduct of the work. If any such duties, taxes, or similar charges are levied, the Participant in whose country they are levied will bear such costs as a cost to that Participant over and above that Participant's financial contribution under this MOU.
- 17.3 If, in order to apply European Community regulations, it is necessary to levy duties, then these will be met by the European Member recipient. To this end, parts or components of the equipment coming from outside of the European Community will proceed to their final destination accompanied by the relevant customs document enabling settlement of duties to take place. The duty will be levied as a cost over and above the relevant Participant's cost of this MOU.

SECTION XVIII

SETTLEMENT OF DISPUTES

- 18.1 Disputes between the Participants arising under or relating to this MOU or associated PAs will be resolved only by consultation between the Participants of this MOU or the relevant PA and will not be referred to a national court, to an international tribunal, or to any other person or entity for settlement.

SECTION XIX

GENERAL PROVISIONS

- 19.1 All activities of the Participants under this MOU will be carried out in accordance with their national laws and regulations, including their export control laws and export control regulations. The responsibilities of the Participants will be subject to the availability of funds for such purposes.

- 19.2 In the event of a conflict between a Section of this MOU and any Annex to this MOU or subsequently established PAs under this MOU, the MOU will take precedence. However, a PA under this MOU may contain specific provisions that are identified as deviating from the provisions of this MOU, in which case the deviating PA provisions will govern for that PA.

SECTION XX

ENTRY INTO EFFECT, DURATION, AMENDMENT AND TERMINATION

- 20.1 This MOU may be amended by the mutual written consent of the Participants.
- 20.2 This MOU or a PA to this MOU may be terminated at any time upon the written consent of the Participants. In the event that the Participants consent to terminate this MOU, the Participants will consult prior to the date of termination to ensure termination on the most economical and equitable provisions.
- 20.3 A Participant may terminate this MOU or any of its PAs or E&MTs upon 90 days written notification of its intent to terminate to the other Participant. Such notice will be the subject of immediate consultation by the SC to decide upon the appropriate course of action to conclude the activities under this MOU. In the event of such termination, the following rules apply:
- 20.3.1 The terminating Participant will continue participation, financial or otherwise, up to the effective date of termination of the MOU, PA, or E&MT as appropriate.
- 20.3.2 Except as to Contracts awarded on behalf of the Participants, each Participant will be responsible for its own Project-related costs associated with termination of the MOU, PA or E&MT. For Contracts awarded on behalf of both Participants, the terminating Participant will pay all Contract modification or termination costs that would not otherwise have been incurred but for the decision to terminate; in no event, however, will a terminating Participant's total financial contribution, including Contract termination costs, exceed that Participant's Total Cost Ceiling for financial contributions as established in the individual PAs.
- 20.3.3 All Project Information and rights therein received under the provisions of this MOU or PAs prior to the termination will be retained by the Participants, subject to the provisions of this MOU and its PAs or E&MTs.
- 20.3.4 If requested by the other Participant, the terminating Participant may continue to administer the Project Contract(s) which it awarded on behalf of the other Participant, on a reimbursable basis.
- 20.3.5 Specific Project termination provisions consistent with this Section may be established in PAs.
- 20.4 The respective benefits and responsibilities of the Participants regarding Section IX (Equipment and Material), Section X (Disclosure and Use of Project Information),

Section XI (Controlled Unclassified Information), Section XIII (Security), Section XIV (Third Party Sales and Transfers), Section XV (Liability and Claims), Section XVIII (Settlement of Disputes), Section XIX (General Provisions), and this Section XX (Entry into Effect, Duration, Amendments and Termination) will continue to apply notwithstanding termination or expiration of this MOU or its PAs.

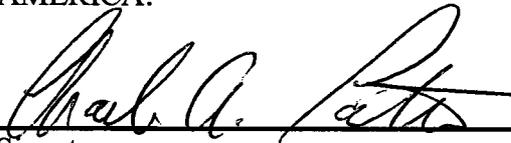
20.5 This MOU, which consists of twenty (20) Sections and three (3) Annexes, will enter into effect upon signature by both Participants and will remain in effect for 20 years. It may be extended by written consent of the Participants. PAs will enter into effect upon signature by the authorized representatives of the PA Participants. All PAs will automatically terminate upon the termination or expiration of this MOU.

The following represents the understandings reached between the U.S. DoD and the UK MoD upon the matters referred to herein.

SIGNED, in duplicate, in the English language.

FOR THE SECRETARY OF
DEFENSE ON BEHALF OF THE
DEPARTMENT OF DEFENSE OF
THE UNITED STATES OF
AMERICA:

FOR THE SECRETARY OF STATE
FOR DEFENCE OF THE UNITED
KINGDOM OF GREAT BRITAIN
AND NORTHERN IRELAND:


Signature


Signature

Charles A. Cartwright

W. H. Moore

Program Manager, Unit of Action

Director Equipment Capability (Ground
Manoeuvre)

Title

Title

15 December 2004

15 December 2004

Date

Date

St Louis, MO

St Louis, MO

Location

Location

ANNEX A

MODEL PROJECT ARRANGEMENT (PA)

PROJECT ARRANGEMENT NUMBER * _____

BETWEEN

THE SECRETARY OF DEFENSE
ON BEHALF OF THE DEPARTMENT OF DEFENSE
OF THE UNITED STATES OF AMERICA

AND

THE SECRETARY OF STATE FOR DEFENCE
OF THE
UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND

UNDER THE
LAND BATTLESPACE SYSTEMS
MEMORANDUM OF UNDERSTANDING

DATED *[insert signature date of LBS MOU]*

CONCERNING

(FULL TITLE OF THE LBS PROJECT)

***The U.S. DoD will assign the Project Arrangement Number.**

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SECTION XV
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(At a minimum, a PA should include the above Sections. If additional topics need to be addressed, Sections, annexes, or special provisions should be included as necessary and appropriate.)

SECTION I
INTRODUCTION

This Land Battlespace Systems (LBS) Project Arrangement (PA) [INSERT TITLE OF PA] is entered into pursuant to the MOU between the Secretary of Defense on behalf of the Department of Defense of the United States of America and Secretary of State for Defence of the United Kingdom of Great Britain and Northern Ireland for LBS, dated _____.

SECTION II
DEFINITIONS OF TERMS AND ABBREVIATIONS

(Define only those terms used in this PA that have not been defined in the MOU.)

SECTION III
OBJECTIVES

The objectives of this _____ PA are:

- a. The enhancement of _____ (for example enhance interoperability between the Participant's respective Land Battlespace Systems) _____.
- b. The development of _____.
- c. The improvement of _____.

SECTION IV
SCOPE OF WORK

The following work will be carried out under this PA.

- a. Develop _____.
- b. Evaluate _____.
- c. Design, fabricate and test _____.

SECTION V
SHARING OF TASKS

The sharing of tasks will be as follows:

- a. The U.S. DoD will _____.
- b. The UK MoD will _____.
- c. U.S. DoD and UK MoD will jointly _____.

SECTION VI
BREAKDOWN AND SCHEDULE OF TASKS

The Project will proceed according to the following phases and schedule. Note that national priorities may pre-empt approved schedules in PAs.

<u>Phase 1</u>	<u>Start</u>	<u>End</u>
Description of Phase 1	MM/DD/YY	MM/DD/YY

(Milestone 1) (e.g., Transmittal of Feasibility Report)

<u>Phase 2</u>	<u>Start</u>	<u>End</u>
Description of Phase 2	MM/DD/YY	MM/DD/YY

(Milestone 2) (e.g., Decision to proceed to Phase 3)

<u>Phase 3</u>	<u>Start</u>	<u>End</u>
Description of Phase 3	MM/DD/YY	MM/DD/YY

(Milestone 3) (e.g., Evaluation, analysis of results)

(Add as many phases as necessary.)

The final report must be transmitted to the SC six months before the termination date for this PA.

SECTION VII
MANAGEMENT

(If a PA does not require a Steering Committee, use the following format to set forth how the PA will be managed.)

Alternative 1

1. This PA will be directed and administered on behalf of the Participants by one Project Officer (PO) from each Participant. The POs are:

U.S. DoD PO Title/Position _____

Organization _____

Address _____

UK MoD PO Title/Position _____

Organization _____

Address _____

2. Project Offices will be established in _____ (**Name of U.S. location**) and in _____ (**Name of UK location**). The POs are responsible for management of those tasks listed as national responsibilities in Section V (Sharing of Tasks) in this PA.

3. Particular Management Procedures:

(Mention only those additional management responsibilities not covered under Section V (Management) of the MOU.)

(If a Project requires the establishment of a Steering Committee, use the following format to set forth how the Project will be managed.)

Alternative 2

Project office (JPO) staffed by members from each Participant, add the following Paragraph:

7.x Each Participant may assign personnel to the JPO to assist in administering a PA. The Host Participant will provide office space and administrative support to the personnel of the other Participant in accordance with the Host Participant’s normal practice. A Participant’s assigned personnel will be subject to the normal procedures and regulations of the Host Participant. Provisions for the personnel provided are described in Annex A to this PA.)

**SECTION VIII
FINANCIAL PROVISIONS**

The Participants estimate that the cost of performance of the tasks under this PA will not exceed _____. (State total cost in either/or all Participants’ currency and fiscal year.)

(Cost of performance includes Financial and Non-financial Costs.)

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
DoD Financial						
DoD Non-Financial						
MoD Financial						
MoD Non-Financial						

(Using the above table and whatever description is necessary, explain and demonstrate how the PA will be funded. Identify both financial (funds) and non-financial (range time, use of equipment, etc.) contributions and identify the amount of funds to be transferred between the Participants.)

(The Financial Management Procedures Document (FMPD) should be developed by the POs and submitted to the PMs if appropriate for approval. The FMPD should include, as a minimum, schedule, handling, funding levels by year, Exchange Rate used, economic conditions (constant/outturn prices), and auditing procedures for monetary contributions anticipated for this PA.)

Cooperative efforts of the Participants over and above the mutually determined tasks detailed in the Section IV (Scope of Work), Section V (Sharing of Tasks), and Section VIII (Financial Provisions) in this PA will be subject to amendment or signature of a new PA.

(If a PA will involve the assignment of CPP, the PA will include a provision that refers to paragraphs 6.6 – 6.8 of the MOU, identify which Participant is sending or hosting CPP, and specify the number of CPPs to be assigned. In addition, the PA will include the amount of financial and non-financial contribution related to CPP as shown below in this section.)

(If a PA will not involve one Participant contracting for the other or both Participants, and no funds will be exchanged between the Participants, use the following format for the Financial Arrangements. Both financial and non-financial contributions should be included in the total U.S. DoD and UK MOD costs.)

The U.S. DoD tasks will not cost more than: _____ U.S. \$ or UK £ (state economic conditions & Exchange Rate @constant or out-turn prices)

The UK MOD tasks will not cost more than: _____ UK £ or U.S. \$ (state economic conditions & Exchange Rate @constant or out-turn prices)

SECTION IX
SPECIAL DISCLOSURE AND USE OF INFORMATION PROVISIONS
(IF REQUIRED)

(Insert any special disclosure and use of information provisions unique to the PA.)

SECTION X
SECURITY CLASSIFICATION

Only one of the four following possibilities must be selected:

- a. No Classified Information will be exchanged under this PA;
- b. The highest level of Classified Information exchanged under this PA is CONFIDENTIAL;
- c. The highest level of Classified Information exchanged under this PA is SECRET; or
- d. The highest level of Classified Information exchanged under this PA is TOP SECRET.

The existence of this PA is **[Insert classification]** and its contents are **[Insert classification]**.

SECTION XI
PRINCIPAL ORGANIZATIONS INVOLVED

(List the organizations and facilities of the Participants.)

SECTION XII
EQUIPMENT AND MATERIAL TRANSFERS
(IF REQUIRED)

1. The transfer of the following Equipment and Material is necessary for executing this LBS PA:

Providing Participant	Receiving Participant	Quantity	Description	Part/ Stock #	Consumables Non-Consumables	Approximate Value

(Fill in as appropriate.)

NOTES:

1. **In the event that the cooperative efforts under the PA requires the provision of Equipment and Material to either Participant, a list of such Equipment and Material must be developed in general accordance with the preceding table. (Equipment and Material that cannot be identified at the time of PA signature will be documented, when identified, in a list to be developed and maintained by the PMs in the format at Annex C.)**
2. **If jointly acquired Equipment and Material is an aspect of the cooperative effort under the PA, terms and conditions for the disposal of such jointly acquired Equipment and Material must be included in the PA.**

SECTION XIII
SPECIAL PROVISIONS

Articles and services provided under this PA will be in accordance with the Participants' national laws and regulations, including their export control laws and regulations as well as with Section XII (Security) and Section XIII (Third Party Sales and Transfers) of the MOU.

SECTION XIV
MODIFICATION AND TERMINATION

1. The provisions of this PA may be modified by written mutual consent of authorized representatives of the Participants in accordance with Section V (Management Organization and Responsibilities) of the MOU.
2. This PA may be terminated at any time in accordance with the provisions of Section XX of the MOU.

SECTION XV
ENTRY INTO EFFECT, DURATION, AMENDMENT AND TERMINATION

This _____ Land Battlespace Systems PA, a Project under the MOU between the Secretary of Defense, on behalf of the Department of Defense, of the United States of America and the Secretary of State for Defence of the United Kingdom of Great Britain and Northern Ireland (include all Participants in this manner), will come into effect upon signature by the Participants, and will remain in effect for ____ years unless terminated by the Participants. It may be extended by the written mutual determination of the Participants.

FOR THE SECRETARY OF
DEFENSE ON BEHALF OF THE
DEPARTMENT OF DEFENSE OF
THE UNITED STATES OF
AMERICA:

FOR THE SECRETARY OF STATE
FOR DEFENCE OF THE UNITED
KINGDOM OF GREAT BRITAIN
AND NORTHERN IRELAND:

Signature

Signature

Name

Name

Title

Title

Date

Date

Location

Location

ANNEX B

COOPERATIVE PROJECT PERSONNEL (CPP)

ASSIGNMENT OF LAND BATTLESPACE COOPERATIVE PROJECT PERSONNEL

1.0 Purpose and Scope.

- 1.1 This Annex to the LBS MOU establishes the provisions that will govern the conduct of the Cooperative Project Personnel (CPP). During the term of the MOU, each Participant will be permitted to assign military members or civilian employees to a Joint Project office (JPO) established under this MOU or to other LBS Activities designated by the SC. CPP will be able to perform all responsibilities for the positions assigned to them under this MOU or in conjunction with a PA. Commencement of assignments will be subject to any requirements that may be imposed by the other Participant or its Government regarding acceptance of CPP, such as, but not limited to, visas and visit request documentation. The Participants will determine the length of tour for the positions at the time of initial assignment.
- 1.2 CPP will be assigned to a JPO or to other LBS activities for Project work (including work at Participant Contractor facilities) and will report to their designated supervisor within those organizations regarding that work. The designated supervisor will be responsible for the creation of a document describing the duties of each CPP position (Annex B-1), and submit to the PMs for approval. CPP will not act in any other capacity on behalf of their Parent Participant's organization (such as liaison officers).
- 1.3 CPP will not be assigned to command or other positions that would require them to exercise responsibilities that are reserved by law or regulation to an officer or employee of the Host Participant's government.

2.0 Security.

- 2.1 The Participants will establish the maximum level of security clearance required, if any, to permit CPP to have access to Classified Information and facilities in which Classified Information is used in accordance with the Project Security Instructions (PSI) and Classification Guide (CG). Access to Classified Information and facilities in which classified Information is used will be consistent with, and limited by, Section III (Objectives) and Section IV (Scope of Work) of the PA and the corresponding provisions of this Annex and the MOU, and will be kept to the minimum required to accomplish the work assignments.

- 2.2 The Parent Participant will file visit requests for the CPP through prescribed channels in compliance with the Host Participant's procedures. The Participants will cause security assurances to be filed, through their respective embassies, specifying the security clearances for the CPP being assigned. The security assurances will be prepared and forwarded through prescribed channels in compliance with established procedures.
- 2.3 The Participants will use their best efforts to ensure that personnel from both Participants assigned to the JPO or activities are made aware of, and comply with, applicable laws and regulations, as well as the requirements of Section X (Disclosure and Use of Project Information), Section XI (Controlled Unclassified Information), and Section XIII (Security) of the MOU, and the corresponding provisions of this Annex, and the PSI and CG. Prior to commencing assigned duties, CPP will, if required by the Host Participant's laws, regulations, policies, or procedures, sign a certification concerning the conditions and responsibilities of CPP.
- 2.4 CPP will at all times be required to comply with the security and export laws, regulations, and procedures of the Host Participant, as briefed in accordance with paragraph 3.2 of this Annex. Any violation of security or export procedures by CPP during their assignment will be reported to the Parent Participant for appropriate action. CPP committing willful violations of security or export laws, regulations, or procedures during their assignments will be withdrawn from the Project with a view toward appropriate administrative or disciplinary action by the Parent Participant.
- 2.5 All Classified Information made available to CPP will be considered as Classified Information furnished to the Parent Participant, and will be subject to all of the provisions and safeguards provided for in a PA, this Annex, the MOU, the PSI and CG.
- 2.6 CPP will not have personal custody of Classified Information or Controlled Unclassified Information, unless approved by the JPO or Host Participant and as authorized by the Parent Participant. They will be granted access to such information in accordance with the provisions of the PSI during normal duty hours when access is necessary to perform Project work. They may not have unsupervised access to classified libraries or operating centers, or to document catalogues, unless the information therein is releasable to the public.
- 2.7 CPP will not serve as a conduit between the Host Participant and the Parent Participant for requests for and/or transmissions of Classified Information or Controlled Unclassified Information unless specifically authorized in the PSI.

3.0 Administrative Matters.

- 3.1 Consistent with Host Participant's laws and regulations, and subject to applicable multilateral and bilateral treaties, agreements and arrangements, CPP will be subject to the same restrictions, conditions, and privileges as Host Participant personnel of comparable rank and in comparable assignments. Further, to the extent authorized by the Host Participant's laws and regulations, and applicable multilateral and bilateral treaties, agreements and arrangements, CPP and their authorized dependents will be accorded:
 - 3.1.1 Exemption from any Host Participant tax upon income received from the Parent Participant's organization.
 - 3.1.2 Exemption from any Host Participant customs and import duties or similar charges levied on items entering the country for their official or personal use, including their baggage, household effects, and private motor vehicles.
- 3.2 Upon or shortly after arrival, CPP will be informed by the Host Participant duty station about applicable laws, orders, regulations, and customs and the need to comply with them. CPP will also be provided briefings arranged by Host Participant duty station regarding applicable entitlements, privileges, and obligations such as:
 - 3.2.1 Any medical or dental care that may be provided to CPP and their dependents at the Host Participant's medical facilities, subject to applicable laws and regulations, including reimbursement when required by such laws and regulations, and any bilateral or multilateral agreements or arrangements.
 - 3.2.2 Purchasing and patronage privileges at military commissaries, exchanges, theaters, and clubs for CPP and their dependents, subject to applicable laws and regulations, and any bilateral or multilateral agreements or arrangements.
 - 3.2.3 Responsibility of CPP and those dependents accompanying them to obtain motor vehicle liability insurance coverage in accordance with laws and regulations applicable in the area where they are residing. In case of claims involving the use of private motor vehicles by CPP and their dependents, the recourse will be against such insurance.
- 3.3 The PMs, through the JPO and Host Participant activities, will establish standard operating procedures for CPP in the following areas:
 - 3.3.1 Working hours, including holiday schedules.

- 3.3.2 Leave authorization, consistent to the extent possible with the military or civilian personnel regulations and practices of the Participants.
 - 3.3.3 Dress regulations, consistent to the extent possible with the military or civilian personnel regulations and practices of the Participants.
 - 3.3.4 Performance evaluations, recognizing that such evaluations must be rendered in accordance with the providing Participant's military or civilian personnel regulations and practices.
- 3.4 CPP committing an offense under the laws of the government of either the Parent or Host Participant may be withdrawn from this Project with a view toward further administrative or disciplinary action by the Parent Participant. Disciplinary action, however, will not be taken by the Host Participant against CPP from the Parent Participant, nor will CPP from the Parent Participant exercise disciplinary authority over Host Participant personnel. In accordance with the Host Participant's laws, regulations, and procedures, the Host participant will assist the Parent Participant in carrying out investigations of offenses involving CPP.

Annex B-1

COOPERATIVE PROGRAM POSITION DESCRIPTION

1. Position:

a. Title: Cooperative Program Personnel

2. Position Location:

3. Qualifications/Skills Required for Position: *(Insert appropriate data, e.g. Accredited degree in a scientific or aviation related subject, Aviation staff and/or operational experience in rotary-wing aircraft. Military specialty similar to U.S. Aviation Product Manager and/or acquisition engineering experience. Previous experience in tactical helicopter operations.)* The CPP will perform the following tasks and responsibilities as mutually determined by the respective Program Manager PM)

4. General Categories of Information to which access will be required: *Insert appropriate categories, e.g. Provided oral and visual access to information required to perform the duties outlined in this position description.*

5. Description of Specific Duties:

a. The CPP Officer will be primarily responsible for *(Insert responsibilities, e.g. coordinating the administration and oversight of the LBS MOU)*. He will require information access to *(Insert specific information access requirements, e.g. research, development and engineering programs involving the AH-64D Apache Longbow Attack helicopter)*.

b. Identify specific duties.

c. The CPP requires access to computer word processing systems for preparing reports.

d. Identify anticipated travel requirements and locations.

e. The CPP will attend technical meetings and symposiums as required in performance of assigned duties.

f. Identify reporting requirements [e.g., **Provide a monthly summary of the US/UK Apache/WAH-64 programs that are undertaken as separate PA's under the MOU**] and any detail requirement [e.g., **This report is to cover upgrade plans and program execution, associated technology programs in the US DoD, UK MoD and industry, and in-service support and engineering issues. It should also include forecasts of forthcoming trials, tests and program reviews.**]

i. Attend UK and U.S. Project Reviews and provide a summary report of MOU activities at that venue as required.

j. In support of the MOU advise the PM on UK procurement and fielding policy, and also on British Army support and logistics doctrine and organization.

k. Provide administrative support and coordination for Steering Committee and Cooperative Project Meetings. In particular to:

- (1) Request inputs from Working Groups at least 2 weeks prior to each meeting.
- (2) Provide written briefs to PMs at least 1 week prior to each meeting.
- (3) Provide draft minutes for each meeting within 10 days.
- (4) Provide written briefs on MOU activity to PM every 6 weeks.
- (5) Coordinate with key players in all PAs so as to ensure timely progress.
- (6) Act as focus for routing requests for information from both sides regarding PAs.
- (7) Attend PA meetings and provide administrative support where necessary.
- (8) Brief progress on PAs to PMs as directed above.

ANNEX C

MODEL EQUIPMENT AND MATERIAL TRANSFER (E&MT) FORM

E&MT NUMBER (E&MT-XXXX*)

BETWEEN

THE SECRETARY OF DEFENSE
ON BEHALF OF THE DEPARTMENT OF DEFENSE
OF THE UNITED STATES OF AMERICA

AND

THE SECRETARY OF STATE FOR DEFENCE
OF THE
UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND

UNDER THE
LAND BATTLESPACE SYSTEMS
MEMORANDUM OF UNDERSTANDING

***The U.S. DoD will assign the E&MT number.**

INTRODUCTION

This Equipment and Material Transfer (E&MT) is entered into pursuant to the Memorandum of Understanding (MOU) between the Department of Defense of the United States of America and the Secretary of State for Defence of the United Kingdom of Great Britain and Northern Ireland concerning Land Battlespace Systems (LBS) MOU (**Insert effective date of the LBS MOU**). This E&MT Form is being executed by authorized representatives of the providing and receiving Participants pursuant to Section IX (Equipment and Material) of the LBS MOU.

SECTION 1

DESCRIPTION AND QUANTITY

1.1 The following Equipment and Material will be transferred by the providing Participant to the receiving Participant:

Providing Participant	Receiving Participant	QTY	Description	Part/ Stock #	Consumables/ Non-Consumables	Return Date	Replacement Value

(Fill in as appropriate)

1.2 **(Choose one of the following alternatives, or use both if both situations apply.)**

Alternative A –Use when return of Equipment and Material is planned.

None of the Equipment and Material identified in paragraph 1.1 is intended to be consumed or expended during the course of the LBS activities described in paragraph 2.1.1.

Alternative B –Use when return of Equipment and Material is not planned due to its consumption during the activity.

The Equipment and Material (specify as appropriate by highlighting in paragraph 1.1) described in paragraph 1.1 is intended to be consumed or expended during the course of the LBS activities described in paragraph 2.1.1.

SECTION II

PURPOSE

- 2.1 The purpose of this E&MT is to support the following LBS activities.
- 2.1.1 **(Fill in as appropriate)**

SECTION III

MANAGEMENT AND RESPONSIBILITIES

- 3.1 Each Participant will establish a point of contact that will be responsible for implementing this E&MT.
- 3.1.1 For the providing Participant the point of contact is *
- 3.1.2 For the receiving Participant the point of contact is *
- **Insert the appropriate names, title/office symbols, addresses, and telephone numbers of the individuals assigned to implement the E&MT.**
- 3.2 Responsibilities of the Providing Participant
- 3.2.1 Transfer of the Equipment and Material – The providing Participant will transfer the Equipment and Material listed above for the duration of the transfer period specified in paragraph 6.4 unless extended by mutual written consent.
- 3.2.2 Equipment and Material Delivery – The providing Participant will deliver the Equipment and Material (**specify arrangements**). Responsibility for the Equipment and Material will pass from the providing Participant to the receiving Participant at the time of receipt of the Equipment and Material. Any further transportation is the responsibility of the receiving Participant unless otherwise specified in this paragraph.
- 3.2.3 Information – The providing Participant will furnish the receiving Participant such information as is necessary to enable the Equipment and Material to be used in the LBS activities described in paragraph 2.1.1 in accordance with Section X (Disclosure and Use of Information) of the MOU.

3.3 Responsibilities of the Receiving Participant

3.3.1 Inspection and Inventory – The receiving Participant will inspect and inventory the Equipment and Material upon receipt. The receiving Participant will also inspect and inventory the Equipment and Material prior to its return to the providing Participant, unless the Equipment and Material is consumed in accordance with paragraph 3.3.2.

3.3.2 (Choose one of the following alternatives, or use both if both situations apply.)

Alternative A – Use when return of Equipment and Material is planned.

Return of Equipment and Material – Upon expiration or termination of the transfer period specified in paragraph 6.4 (taking into account any approved extensions by the providing Participant), the receiving Participant will return the Equipment and Material to the providing Participant (**specify arrangements**). If the Equipment and Material is lost, unintentionally destroyed, or damaged beyond economical repair, while in the custody of the receiving Participant, the receiving Participant will issue a certificate of loss/destruction/irreparable damage to the providing Participant.

Alternative B – Use when return of Equipment and Material is not planned due to its consumption during the activity.

Consumption of Equipment and Material – It is intended that the receiving Participant will consume the Equipment and Material specified in paragraph 1.1 during the course of the RDT&E activities described in paragraph 2.1.1. If this does occur, the receiving Participant will provide written notice of its consumption to the providing Participant. In the event consumption does not occur prior to the end of the transfer period specified in paragraph 6.4, the receiving Participant will return the Equipment and Material to the providing Participant (**specify arrangements**). If the Equipment and Material is lost, unintentionally destroyed, or damaged beyond repair prior to its intended consumption while in the custody of the receiving Participant, the receiving Participant will issue a certificate of loss/destruction/irreparable damage to the providing Participant.

3.4 This LBS E&MT Form provides only for transfer of Equipment and Material associated with the LBS activities described in paragraph 2.1.1. Signature of this LBS E&MT Form does not imply any commitment by a Participant to participate in any activities beyond the E&MT described herein.

SECTION IV

SPECIAL PROVISIONS (OPTIONAL)

4.1 **(Insert any special provisions as required.)**

SECTION V

CLASSIFICATION

5.1 **(Insert only one of the two following paragraphs; note that one of these two options must be selected.)**

No classified Equipment and Material will be transferred under this LBS E&MT Form.

or

The highest level of classified Equipment and Material under this LBS E&MT Form is **(insert level of classification)**.

SECTION VI

MODIFICATION, TERMINATION, AND TRANSFER PERIOD

- 6.1 The provisions of this E&MT Form may be modified or extended by written mutual consent of authorized representatives of the Participants in accordance with Section IX (Equipment and Material) of the MOU.
- 6.2 The E&MT described in this LBS E&MT Form may be terminated at any time in accordance with the following provisions.
- 6.2.1 Through the mutual written consent of the authorized representatives of the Participants.
- 6.2.2 Unilaterally by the receiving Participant on 90 days written notice to the providing Participant.
- 6.2.3 Unilaterally by the providing Participant at any time.
- 6.4 Responsibilities regarding security and protection against unauthorized use, disclosure, or transfer that accrued prior to termination or expiration of the transfer period will continue to apply without limit of time in accordance with

Section XIX (Amendment, Termination, Entry Into Effect, and Duration) of the LBS MOU.

6.5 The transfer period for the Equipment and Material described herein begins on the date of the last signature below, and unless terminated or extended, will continue until **(enter date or amount of time)**.

FOR THE DEPARTMENT OF
DEFENSE OF THE UNITED
STATES OF AMERICA

FOR THE SECRETARY
OF STATE FOR DEFENCE OF
THE UNITED KINGDOM OF
GREAT BRITAIN AND
NORTHERN IRELAND

Signature

Signature

Name

Name

Title

Title

Date

Date

Location

Location

AMENDMENT ONE

TO THE

MEMORANDUM OF UNDERSTANDING

BETWEEN

THE SECRETARY OF DEFENSE ON BEHALF

OF

THE DEPARTMENT OF DEFENSE

OF

THE UNITED STATES OF AMERICA

AND

THE SECRETARY OF STATE FOR DEFENCE

OF

THE UNITED KINGDOM OF GREAT BRITAIN

AND NORTHERN IRELAND

CONCERNING COLLABORATION ON

LAND BATTLESPACE SYSTEMS

DATED DECEMBER 15, 2004

INTRODUCTION

The Secretary of Defense on behalf of the Department of Defense (DoD) of the United States of America and the Secretary of State for Defence of the United Kingdom of Great Britain and Northern Ireland (UK) entered into a Memorandum of Understanding Concerning Collaboration on Land Battlespace Systems (LBS MOU) on December 15, 2004 for a period of 20 years. This Amendment One incorporates export control compliance text and definitions revised since December 15, 2004. All activities, including Project Arrangements (PAs) and other administrative actions established pursuant to the LBS MOU, will continue under the provisions of this Amendment. In accordance with paragraph 20.1 of Section XX (Entry into Effect, Duration, Amendment and Termination), the Participants hereby consent to amend the LBS MOU as follows:

1. In Section II (Definitions and Acronyms), amend the following definitions to read:

Contractor Support Personnel: Persons specifically identified as providing administrative, managerial, scientific, or technical support services to a Participant under a support Contract that prohibits those persons from using Information received under the Contract for any purpose other than those authorized under this MOU.

Controlled Unclassified Information: Unclassified Information to which access or distribution limitations have been applied in accordance with applicable national laws or regulations. It could include Information that has been declassified but remains controlled.

Information: Knowledge that can be communicated by any means, regardless of form or type, including, but not limited to, that of a scientific, technical, business, or financial nature, and also including photographs, reports, manuals, threat data, experimental data, test data, computer software, designs, specifications, processes, techniques, inventions, drawings, technical writings, sound recordings, pictorial representations, and other graphical presentations, whether in magnetic tape, computer memory, or any other form and whether or not subject to Intellectual Property Rights.

Patent: Grant by any Government or a regional office acting for more than one Government of the right to exclude others from making, using, importing, selling, or offering to sell an invention. The term refers to any and all patents, including, but not limited to, patents of implementation, improvement, or addition; petty patents; utility models; appearance design patents; registered designs; and inventor certificates or like statutory protection as well as divisions, reissues, continuations, renewals, and extensions of any of these.

Project Invention: Any invention in any field of technology, provided it is new, involves an inventive step, is capable of industrial application, and is formulated or made (conceived or "first actually reduced to practice") in the course of work performed under

the Project. The term, "first actually reduced to practice" means the first demonstration, sufficient to establish to one skilled in the art to which the invention pertains, of the operability of an invention for its intended purpose and in its intended environment.

Add the following definitions:

Intellectual Property: In accordance with the World Trade Organization Agreement on Trade-related Aspects of Intellectual Property Rights of April 15, 1994, all copyright and related rights, all rights in relation to inventions (including Patent rights), all rights in registered and unregistered trademarks (including service marks), registered and unregistered designs, undisclosed Information (including trade secrets and know-how), layout designs of integrated circuits, and geographical indications, and any other rights resulting from creative activity in the industrial, scientific, literary, and artistic fields.

Prospective Contractor: Any entity that seeks to enter into a Contract awarded by a Participant's Contracting Agency and that, in the case of a solicitation involving the release of export-controlled Information, is eligible to receive such Information.

2. In Section V (Management (Organization and Responsibilities)), change the following:

Insert new subparagraph 5.4.6.

5.4.6 Employing its best efforts to resolve, in consultation with the export control authorities of the Participants concerned, any export control issues raised by the PMs in accordance with paragraph 5.5.8 or raised by a Participant's SC representative in accordance paragraph 10.4 of Section X (Disclosure and Use of Project Information) of this MOU.

Renumber the original subparagraphs 5.4.6 through end.

In subparagraph 5.5.6, change lines 1 and 2 to read "Project Security Instruction (PSI) and a Classification Guide (CG)".

Insert the following as a new subparagraph 5.5.8.

5.5.8 Monitoring export control arrangements required to implement this MOU and, if applicable, referring immediately to the SC any export control issues that could adversely affect the implementation of this MOU.

Renumber the original subparagraphs 5.5.8 and 5.5.9 as subparagraphs 5.5.9 and 5.5.10, respectively.

3. In Section VII (Contracting Provisions), change the following:

In Paragraph 7.3, lines 8 and 9, replace “including suitable provisions for ensuring compliance with the Participants’ respective export control laws and implementing regulations.” with “including the export control provisions of this MOU, in particular paragraphs 7.4 and 7.5 of this Section.”

Insert the following as new paragraphs 7.4 and 7.5:

7.4 Each Participant will legally bind its Contractors to a requirement that the Contractor will not retransfer or otherwise use export-controlled Information furnished by another Participant for any purpose other than the purposes authorized under this MOU.

7.4.1 The Contractor will also be legally bound not to retransfer the export-controlled Information to another Contractor or subcontractor unless that Contractor or subcontractor has been legally bound to limit use of the Information to the purposes authorized under this MOU.

7.4.2 Export-controlled Information furnished by one Participant under this MOU may only be retransferred by another Participant to its Contractors if the legal arrangements required by this paragraph have been established.

7.5 Each Participant will legally bind its Prospective Contractors to a requirement that the Prospective Contractor will not retransfer or otherwise use export-controlled Information furnished by another Participant for any purpose other than responding to a solicitation issued in furtherance of the purposes authorized under this MOU.

7.5.1 Prospective Contractors will not be authorized use or right to retransfer the export-controlled Information for any purpose if they are not awarded a Contract.

7.5.2 The Prospective Contractors will also be legally bound not to retransfer the export-controlled Information to a prospective subcontractor unless that prospective subcontractor has been legally bound to limit use of the export-controlled Information for the purpose of responding to the solicitation.

7.5.3 Export-controlled Information furnished by one Participant under this MOU may only be retransferred by another Participant to its Prospective Contractors if the legal arrangements required by this paragraph have been established.

7.5.4 Upon request by the furnishing Participant, the receiving Participant will identify its Prospective Contractors and prospective subcontractors receiving such export-controlled Information.

Renumber the original paragraph 7.4 as 7.6.

Delete the original paragraph 7.5 and renumber the remaining paragraphs 7.6 through 7.10 as new paragraphs 7.7 through 7.11.

4. In Section X (Disclosure and Use of Project Information), insert the following as new paragraphs 10.3 and 10.4:

10.3 Transfer of Project Information will be consistent with furnishing Participant's applicable export control laws and regulations.

10.3.1 Unless otherwise restricted by duly authorized officials of the furnishing Participant at the time of transfer to the other Participant, all export-controlled Information furnished by one Participant to the other Participant may be retransferred to the other Participant's Contractors, subcontractors, Prospective Contractors, and prospective subcontractors, subject to the requirements of paragraphs 7.4 and 7.5 of Section VII (Contracting Provisions) of this MOU.

10.3.2. Export-controlled Information furnished by the Contractors and subcontractors of one Participant's nation to those of the other pursuant to this MOU will be subject to the conditions established in export licenses or other approvals issued by the Government of the exporting Contractor or subcontractor in accordance with that exporting nation's applicable export control laws and regulations.

- 10.4 If a Participant finds it necessary to exercise a restriction on the retransfer of export-controlled Information as set out in paragraph 10.3 of this Section, it will promptly inform the other Participant. If a restriction is then exercised and the affected Participant objects, that Participant's SC representative will promptly notify the other Participant's SC representatives and they will immediately consult in order to discuss ways to resolve such issues or mitigate any adverse effects.

Renumber the original paragraphs 10.3 through 10.9 as new paragraphs 10.5 through 10.11).

In new subparagraph 10.6.1.2 (formerly subparagraph 10.4.1.2), line 2, replace "proprietary rights" with "Intellectual Property rights."

Insert the following as new subparagraph 10.6.1.3 (formerly subparagraph 10.4.1.3):

10.6.1.3 disclosure is consistent with national disclosure policies and export control laws and regulations of the furnishing Participant.

Delete original subparagraph 10.4.1.4.

In new subparagraph 10.8.1 (formerly subparagraph 10.6.1):

In line 1, capitalize the first letter of "Information"; and

In line 2, delete "proprietary" and insert "Intellectual Property".

In new subparagraph 10.8.1.1, line 2, capitalize the first letter of “Information”.

In new subparagraph 10.8.1.2, line 2, replace “proprietary rights” with “Intellectual Property rights”.

In new subparagraph 10.8.2 (formerly subparagraph 10.6.2), line 4, replace “proprietary rights” with “Intellectual Property rights”.

In new subparagraph 10.10.1 (formerly subparagraph 10.8.1), delete “proprietary interests” and insert “disclosure and use restrictions with respect to Intellectual Property rights”.

Insert the following as new subparagraph 10.10.2 (formerly subparagraph 10.8.2):

10.10.2 The provisions of the NATO Agreement on the Communication of Technical Information for Defence Purposes, signed at Brussels on 19 October 1970, and the Implementing Procedures for NATO Agreement on the Communication of Technical Information for Defence Purposes, approved by the North Atlantic Council on 1 January 1971 (or any successor agreement and procedures), will apply to Project Information referred to in paragraph 10.10.1 above.

In subparagraph 10.11.8 (formerly subparagraph 10.9.8), line 7, delete “The Participants will share in the costs of resolving Patent infringement claims in the same percentage as they share the full Financial and Non-financial Costs (taking account of each Participant’s respective production off-take where relevant) of the Project or mutually consent to alternative arrangement.”

In line 11, add the following sentence before the existing final sentence: “The Participants will share in the costs of resolving Patent infringement claims and Patent authorization and consent claims in the same percentage as they share the full Financial and Non-financial Costs (taking account of each Participant’s respective production off-take where relevant) of the Project, or will mutually consent to an alternative arrangement.”

5. In Section XI (Controlled Unclassified Information), delete the original paragraph 11.2 and insert the following as new paragraph 11.2:

11.2 To assist in providing the appropriate controls, the originating Participant will ensure that Controlled Unclassified Information is appropriately marked to ensure its “in confidence” nature. The Participants’ export-controlled Information will be marked in accordance with the applicable Participant’s export control markings as documented in the PSI. The Participants will also decide, in advance and in writing, on the markings to be placed on any other types of Controlled Unclassified Information and describe such markings in the PSI.

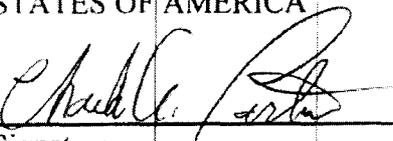
6. In Section XIII (Security), delete the original paragraph 13.5 and insert the following new paragraph 13.5:

13.5. The PMs will jointly prepare a PSI and a CG for the Project. The PSI and the CG will describe the methods by which Project Information will be classified, marked, used, transmitted, safeguarded, and will require that markings for all export-controlled Classified Information will include the applicable export control markings identified in the PSI in accordance with paragraph 11.2 of Section XI (Controlled Unclassified Information). The PSI and CG will be developed by the PM within three months after this MOU enters into effect. They will be reviewed and forwarded to the Participants' DSAs for approval and will be applicable to all government and Contractor personnel participating in the Project. The CG will be subject to regular review and revision with the aim of downgrading the classification whenever this is appropriate. The PSI and the CG will be approved by the appropriate DSA prior to the transfer of any Classified Information or Controlled Unclassified Information.

7. This Amendment will enter into effect upon signature by the Participants. All other provisions of the MOU remain unchanged.

8. The undersigned, being duly authorized, have signed this Amendment One in duplicate.

FOR THE SECRETARY OF DEFENSE
ON BEHALF OF THE DEPARTMENT
OF DEFENSE OF THE UNITED
STATES OF AMERICA



Signature

MG Charles A. Cartwright
Name

PM Future Combat Systems (BCT)
Title

September 8, 2008
Date

St. Louis, MO.
Place

FOR THE SECRETARY OF
STATE FOR DEFENCE OF THE
UNITED KINGDOM OF GREAT
BRITAIN AND NORTHERN
IRELAND



Signature

BRIG. CHRISTOPHER DEVERELL
Name

EC GM-DEC
Title

19/11/08
Date

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Place