DEFENSE

Air Capabilities Projects

Memorandum of Understanding
Between the
UNITED STATES OF AMERICA
and OTHER GOVERNMENTS

Signed at Gramat, London, and Paris
March 26, April 5, and May 3, 2002

with

Annexes

and

Agreement Amending the
Memorandum of Understanding
Signed at Uberlingen and Paris
October 7 and 27, 2003

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."

MULTILATERAL

Defense: Air Capabilities Projects

Memorandum of understanding signed at Gramat, London, and Paris March 26, April 5, and May 3, 2002;
Entered into force May 3, 2002.
With annexes.
And agreement amending the memorandum of understanding.
Signed at Uberlingen and Paris October 7 and 27, 2003;
Entered into force October 27, 2003.

MEMORANDUM OF UNDERSTANDING

AMONG

THE MINISTER OF DEFENSE

OF THE FRENCH REPUBLIC,

THE FEDERAL MINISTRY OF DEFENSE

OF THE FEDERAL REPUBLIC OF GERMANY,

THE SECRETARY OF STATE FOR DEFENCE OF THE UNITED KINGDOM

OF GREAT BRITAIN AND NORTHERN IRELAND

and

THE DEPARTMENT OF DEFENSE

OF THE UNITED STATES OF AMERICA

for

FUTURE AIR CAPABILITIES PROJECTS

(SHORT TITLE: FAC MOU)

3 MAY 2002

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INTRODUCTION

The Minister of Defense of the French Republic,

the Federal Ministry of Defense of the Federal Republic of Germany,

the Secretary of State for Defence of the United Kingdom of Great Britain and Northern Ireland, and

the Department of Defense of the United States of America, hereinafter referred to as the "Participants":

- Having a common interest in defense;

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

- Seeking to make the best use of their respective research and development capacities, eliminate unnecessary duplication of work and obtain the most efficient and cost-effective results through cooperation in Future Air Capabilities (FAC), within the Air Senior National Representative (ASNR) forum and the International Cooperative Opportunities Group (ICOG) initiative of the Four Power (France, Germany, United Kingdom and United States) National Armament Directors (NADs).

Have reached the following understandings:

SECTION I

DEFINITIONS AND ABBREVIATIONS

1.1 The Participants have approved the following definitions for terms used in this Memorandum of Understanding (MOU):

Advanced Concept Technology Demonstration (ACTD)		Process to permit the early and affordable evaluation of mature technologies. The evaluation is done to determine military utility before a commitment is made to proceed into a formal acquisition. A successful ACTD may provide a residual operational capability. The residual capability can be replicated, if only a limited number of assets are required, or the demonstrated capability can be transferred into the appropriate phase of a formal acquisition program.
Classified Information		Information that requires protection in the interests of national security and is so designated by the application of a security classification marking.
Concept Exploration (CE)		The first acquisition phase, which typically consists of competitive, parallel short-term concept definition studies. The focus of these efforts is to define and evaluate the feasibility of alternative concepts and to provide a basis for assessing the relative merits (i.e. advantages and disadvantages, degree of risk, etc.) of these concepts at the next milestone decision point. Analysis of alternatives will be used as appropriate to facilitate comparisons of alternative concepts. The most promising system concepts will be defined in terms of initial, broad objectives for cost, schedule, performance, software requirements, opportunities for tradeoffs, overall acquisition strategy, and test and evaluation strategy.
Contract		Any mutually binding legal relationship which obligates a Contractor to furnish supplies or services, and obligates one or more 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 description (but not technical selection) of supplies and services required, invitation to bid and selection of sources, preparation and award of Contracts, and all phases of Contract administration.
Contracting Agency		The entity which has authority to enter into, administer, or terminate Contracts.
Contracting Officer		A person representing a Contracting Agency.
Contractor		Any entity awarded a Contract under a Project by a Contracting Agency.
Contributing Participants		Those Participants who are signatories to a particular PA to this MOU.
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. It could include information which has been declassified, but remains controlled.
Defense Purposes		Manufacture or other use in any part of the world by or for the armed forces of any Participant.
Designated Security Authority (DSA)		The security office approved by national authorities to be responsible for the security aspects of this MOU.
Engineering and Manufacturing Development (EMD)		The acquisition phase after PDRR which takes mature technologies and translates them into system specific designs and hardware developments. EMD develops interoperable, producible, supportable, and cost effective system designs; validates the manufacturing process;

		and demonstrates system capabilities by test and evaluation.
Future Air Capabilities (FAC)		The ASNR initiative to implement collaboratively developed ACTDs, CE studies and PDRR efforts.
Host Organization		The establishment of the Host Participant to which Project Personnel are assigned for duty pursuant to this MOU.
Host Participant		The Participant to which the Host Organization belongs.
Parent Organization		The establishment of the Parent Participant to which the Project Personnel belong.
Parent Participant		The Participant to which the Parent Organization belongs.
Production		Producing a system/subsytem in manufacturing quantities that provides a full operational capability.
Program Definition and Risk Reduction (PDRR)		The acquisition phase after CE, wherein the program will become defined as one or more concepts, design approaches, and/or parallel technologies and is pursued as warranted. Assessments of the advantages and disadvantages of alternative concepts will be refined. Prototyping, demonstrations, and early operational assessments will be considered and included as necessary to reduce risk so that technology, manufacturing, and support risks are well in hand before the next decision point. Cost drivers, life-cycle cost estimates, cost-performance trades, interoperability, and acquisition strategy alternatives will be considered to include evolutionary and incremental software development.
Project		Specific collaborative activity to conduct ACTDs, CE studies and PDRR programs that are described in a PA to this MOU.

Project Arrangement (PA)		An implementing arrangement under this MOU which specifically details the collaboration on a specific Project.
Project Background Information		Information not generated in the performance of a Project.
Project Equipment		Any material, equipment, end item, subsystem, component, special tooling or test equipment jointly acquired or provided for use in a Project.
Project Foreground Information		Project Information generated in the performance of a Project.
Project Information		Any information provided to, generated in, or used in a PA, 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, 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.
Project Personnel		Military or civilian employees of the Parent Organization of one Participant assigned to the Host Organization of another Participant in furtherance of a Project.
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.

1.2 The following abbreviations are used in this MOU:

ACTD	Advanced Concept Technology Demonstration
ASNR	Air Senior National Representative
CE	Concept Exploration
DSA	Designated Security Authority
EG	Exploratory Group
EMD	Engineering and Manufacturing Development
FAC	Future Air Capabilities
PA	Project Arrangement
PDRR	Program Definition and Risk Reduction
SC	Steering Committee
SG	Systems Group
WG	Working Group

SECTION II

OBJECTIVE

2.1 The objective of this MOU is to engage the Participants at the earliest acquisition stages in collaborative activities. The goal is to identify common mission needs and harmonize operational requirements which could lead to collaborative developments improving national and coalition warfighting capabilities. This MOU defines and establishes the general principles which will apply to the initiation, conduct, and management of Projects established by separate PAs entered into by two or more Participants.

2.2 The FAC Projects encompass joint collaboration on Advanced Concept Technology Demonstrations (ACTDs), Concept Exploration (CE) and Program Definition and Risk Reduction (PDRR) research and development efforts.

2.3 The provisions of this MOU are incorporated by reference in each PA. Detailed provisions of each PA will be consistent with this MOU, will identify the Contributing Participants and will include, as a minimum, provisions concerning the objectives, scope of work, sharing of tasks, management, financial arrangements, security classification, and other special provisions such as audit and Contracting provisions as required, in accordance with the format attached as Annex A of this MOU.

SECTION III

SCOPE OF WORK

3.1 The scope of work of this MOU is to conduct cooperative activities to identify common mission needs, harmonize operational requirements and conduct collaborative developmental activities leading to superior air capabilities. This will encompass conducting ACTDs, and collaboration on CE and PDRR efforts. These collaborations are intended to lead to the development of technologically superior and interoperable conventional weapon systems. PAs may range from ACTDs to conceptual studies and prototype demonstrations consistent with the definitions of ACTDs, CE and PDRR in Section I of this MOU. PAs may provide for the assignment of personnel from one Contributing Participant to facilities of another Contributing Participant to assist in a Project.

3.2 Information exchange for the purposes of harmonizing the Participants' respective FAC requirements and for formulating, developing and negotiating PAs is permitted under this MOU in accordance with paragraph 9.1.1 hereunder. However, the intent of this MOU is to achieve more than information exchange.

3.3 No information relating to EMD or Production may be transferred under this MOU or its PAs. EMD or Production programs which may evolve from collaboration under one or more PAs to this MOU are outside the scope of this MOU and require conclusion of separate arrangements.

SECTION IV

MANAGEMENT (ORGANIZATION AND RESPONSIBILITY)

4.1 The Participants' Air Senior National Representatives (ASNRs) form the Steering Committee (SC) which will be responsible for the implementation and executive-level oversight of this MOU. Subordinate to the SC will be a Working Group (WG) which will review international cooperative opportunities which could be the basis for Projects, review status of existing Projects, and make regular reports to the SC. For each Project, there will be a Systems Group (SG) made up of national representatives from each Contributing Participant to conduct Project specific activity. An SG actually forms upon establishment of a PA. Prior to formation of an SG, preliminary work on a candidate FAC topic will be carried out by an Exploratory Group (EG) made up of requirements, acquisition and technical experts from each interested Participant. Individual EGs will become an SG upon establishment of a PA. EGs will disband upon an SC decision to abandon a candidate topic.

4.2 In particular, the SC will:

4.2.1 Monitor international cooperative opportunities for analysis as candidate FAC Projects.

4.2.2 Oversee the development, negotiation and conclusion of PAs.

4.2.3 Oversee the implementation of PAs.

4.2.4 Periodically assess the cooperation conducted under this MOU, and propose revisions as appropriate.

4.2.5 Appoint appropriate national representatives to the WG.

4.3 The WG will, in particular:

4.3.1 Evaluate international cooperative opportunities in conjunction with national operational needs and requirements to develop candidate Projects, and recommend appropriate candidate topics to the SC for decision to proceed.

4.3.2 Assist in developing, negotiating and concluding PAs.

4.3.3 Conduct periodic reviews of the progress of existing Projects.

4.3.4 Appoint the Participants' representatives to the EGs and SGs and designate one of these representatives as the main representative for each EG and SG.

4.3.5 Provide oversight and monitor progress of EGs and SGs toward Project objectives.

4.3.6 Resolve issues brought forward by the EGs and SGs.

4.3.7 Regularly report EG/SG progress to the SC.

4.3.8 Approve plans for disposal of jointly acquired Project Equipment in accordance with Section VIII (Project Equipment) of this MOU.

4.3.9 Approve the assignment of Project Personnel to facilities of the other Contributing Participant(s) to work on a PA in accordance with paragraph 4.7 and Annex B of this MOU.

4.3.10 Monitor Third Party Sales and Transfers in accordance with Section XIII (Third Party Sales and Transfers) of this MOU.

4.3.11 Maintain oversight of the security aspects of the PAs, including reviewing and obtaining approval from the Designated Security Authorities (DSAs) of the Project Security Instruction and the Classification Guide, prior to the transfer of Classified Information or Controlled Unclassified Information.

4.4 The EGs will, in particular:

4.4.1 Analyze candidate FAC topics for their potential as Projects.

4.4.2 Make recommendations to the WG on their conclusions.

4.4.3 Upon SC approval, develop a work plan to include, at a minimum, Project objective, technical scope, work share, Project schedule and resources.

4.4.4 Draft PAs in accordance with the format at Annex A of this MOU and present them to the WG.

4.4.5 Refer issues that cannot be resolved within the EG to the WG.

4.5 The SGs will, in particular:

4.5.1 Execute Projects as specified in signed PAs.

4.5.2 Report Project status to the WG periodically.

4.5.3 Ensure that recommendations regarding possible follow-on work are clearly listed in the final report for the Project.

4.5.4 Refer issues that cannot be resolved within the SG to the WG.

4.6 The SC, WG, EGs and SGs will meet on a regular basis, rotating meetings among the Participants. The Chairman for each SC and WG meeting will be the senior official of the Participant hosting the meeting. EGs and SGs will decide on a chairman to coordinate activity regardless of meeting site unless a different chairmanship approach is approved by the WG. During SC, WG, EG and SG meetings, all decisions require unanimity, each Participant having one vote.

4.7 Assignment of Project Personnel

4.7.1 Any Contributing Participant may assign personnel to the other Contributing Participants' facilities to assist in a Project as determined in a PA.

4.7.2 Section XVII (Project Personnel) of this MOU applies to any assignment.

SECTION V

FINANCIAL PROVISIONS

5.1 This MOU creates no financial or non-financial commitments regarding individual PAs. Detailed descriptions of the financial arrangements for a specific Project, including, at least, the maximum total cost of the Project and each Contributing Participant's maximum contribution, will be contained in the PA.

5.2 Each Participant will contribute its equitable share of the full financial costs and non-financial costs incurred in performing, managing, and administering its responsibilities under this MOU and each PA, including overhead costs, administrative costs, and costs of claims, and, in return, each Contributing Participant will receive an equitable share of the results, as defined in the relevant PA. The assignment of tasks will represent an equitable sharing of the costs of work to be performed under each PA. The sharing of costs, tasks and results between Contributing Participants in a Project will be detailed in the relevant PA.

5.3 The responsibilities of the Participants will be subject to the availability of funds for such purposes. Each Participant will promptly notify the other Participants if available funds are not adequate to fulfill its responsibilities under this MOU or its PAs, and will immediately consult on the course of action to be taken with a view toward continuation on a changed or reduced basis.

5.4 Each Contributing Participant will use its best efforts to perform, or have performed, work specified in each PA within the costs specified in the PA.

5.5 Each Participant will bear the full costs it incurs for performing, managing, and administering its activities under this MOU and participation in a PA, including its share of any Contracts under the provisions of paragraph 5.7 below.

5.6 The following costs will be borne entirely by the Participant incurring the costs:

5.6.1 Costs associated with any unique national requirements identified by a Participant.

5.6.2 Any costs outside the scope of this MOU or its PAs.

5.6.3 The Host Participant will provide, at its own cost, the necessary office space and administrative support for Project Personnel. The Parent Participant(s) will bear those costs described in paragraph 17.3 of this MOU.

5.7 Under a PA, the Contributing Participants may decide that it is necessary for one Contributing Participant to incur contractual or other obligations for the benefit of all Contributing Participants prior to the receipt of all Contributing

Participants' funds. In the event one Contributing Participant incurs such obligations, the Contributing Participants will pay their equitable share of such obligations, will make funds available in such amounts and at such times as may be required by the obligations, and will pay any damages and costs that may accrue from the performance of or cancellation of the obligation in advance of the time such payments, damages, or costs are due.

5.8 If under a PA, all the Contributing Participants decide to use an international organization to contract for the Contributing Participants, the financial provisions and procedures will be determined with the international organization and will be reflected in the PA signed among all the Contributing Participants.

5.9 Where, under a PA, it is necessary to transfer funds between the Contributing Participants, the SG will be responsible for the financial management of the Project. Where necessary, these financial management procedures, which must be in accordance with the national accounting and audit requirements of the Contributing Participants, will be defined in a financial management procedures document proposed by the SG and subject to the approval of the WG. Each Contributing Participant will fund a Project in accordance with the estimated schedule of financial contributions contained in the financial management procedures document.

5.10 Each Contributing Participant to a PA will be responsible for internal audit of procurement activity carried out by it, in accordance with its own national practices. Any audit reports will be made available to the other Contributing Participant(s).

SECTION VI

CONTRACTING PROVISIONS

6.1 When one Contributing Participant contracts solely on its own behalf to perform its own tasks under a PA, it will be solely responsible for its own Contracting, and the other Contributing Participant(s) will not be subject to any liability arising from such Contracts.

6.2 If the Contributing Participants determine that it is necessary under a PA that one Contributing Participant contracts on behalf of other Contributing Participant(s) for tasks under the PA, that Contributing Participant will contract in accordance with its respective national laws, regulations and procedures. Such contractual arrangements will be detailed in the particular PA. Sources from all Contributing Participants to a PA 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 SG will be responsible

for the coordination of contracting activities relating to the appropriate PA and will cooperate with the Contracting Officer in the areas of Contract procedures, Contract negotiation, evaluation of offers and Contract award. Prior to Contract award, the SG will ensure approval of the Contract by the Contributing Participants. The Contracting Officer will also keep the SG advised of all financial arrangements with Contractors.

6.3 If under a PA, all the Contributing Participants decide to use an international organization to contract for the Contributing Participants, the contracting provisions and procedures will be determined with the international organization and will be reflected in the PA signed among all the Contributing Participants.

6.4 For all contracting activities performed by the Contributing Participants, the SG will, upon request, provide a copy of all statements of work for information prior to the issuance of invitations to bid.

6.5 Contributing Participants' Contracting Agencies will negotiate to obtain the rights to use and disclose Project Information required by Section IX (Disclosure and Use of Project Information) of this MOU. Each Contributing Participant's Contracting Agency will insert into its Contracts, and require its Contractors to insert in subcontracts, suitable provisions to satisfy the requirements of this MOU, including Section VIII (Project Equipment), Section IX (Disclosure and Use of Project Information), Section X (Controlled Unclassified Information), Section XII (Security) and Section XIII (Third Party Sales and Transfers) of this MOU. During the Contracting process, each Contributing Participant's Contracting Officer will advise prospective Contractors of their obligation to notify the Contracting Agency immediately if they are subject to any license or arrangement that will restrict that Contributing Participant's 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 arrangement that will result in restrictions.

6.6 In the event a Contributing Participant's Contracting Agency is unable to secure adequate rights to use and disclose Project Information as required by Section IX (Disclosure and Use of Project Information) of this MOU, or is notified by Contractors or potential Contractors of any restrictions on the disclosure and use of information, the Contracting Officer will notify his SG representative. That Contributing Participant's SG representative will notify the other Contributing Participants' SG representatives of the restriction(s). The Contributing Participants' SG representatives will consult among themselves on an appropriate course of action.

6.7 Each Contributing Participant will promptly advise the other Contributing Participant(s) of any cost growth, schedule delay or other performance problems of any of its Contractors.

SECTION VII

WORK SHARING

7.1 The Contributing Participants will work toward the goal that the work to be performed under a PA will be shared in proportion to the cost contributions of the Contributing Participants to the maximum extent possible, consistent with high technical merit, reasonable cost, and the need to achieve the timely, economical, and efficient execution of the Project. This work will encompass those requirements contained in Section IV (Scope of Work) of the PA that are common to the Contributing Participants and are funded under the PA.

7.2 Each Contributing Participant will encourage its prospective Contractors to provide competitive opportunities to potential sub-contractors from the other Contributing Participant nations to participate in the work of a Project, provided that such participation does not adversely impact the Project.

7.3 No requirement will be imposed by any Contributing Participant for work sharing or other industrial or commercial compensation in connection with any PA, that is not in accordance with this MOU.

SECTION VIII

PROJECT EQUIPMENT

8.1 For the purpose of carrying out a PA, each Contributing Participant may loan to the other Contributing Participant(s) such Project Equipment identified in a PA as being necessary for the corresponding Project.

8.2 Project Equipment loaned will be used by the receiving Contributing Participant only for the purposes of that PA. Project Equipment will remain the property of the providing Contributing Participant.

8.3 The receiving Contributing Participant will maintain any such Project Equipment in good working order. Unless the providing Contributing Participant has authorized the Project Equipment to be consumed without reimbursement to the providing Contributing Participant, the receiving Contributing Participant will return the Project Equipment to the providing Contributing Participant in as good condition as received, normal wear and tear excepted, or return the Project Equipment and pay the cost to restore it. If the Project Equipment is damaged beyond economical repair, the receiving Contributing Participant will return the Project Equipment to the providing Contributing Participant, unless otherwise specified in writing by the providing Contributing Participant, and pay its replacement value as computed pursuant to the providing Contributing

Participant's national laws, regulations and procedures. If the Project Equipment is lost while in the custody of the receiving Contributing Participant, the receiving Contributing Participant will issue a certificate of loss to the providing Contributing Participant and pay the replacement value as computed pursuant to the providing Contributing Participant's national laws, regulations and procedures. In no event will such cost exceed replacement cost less an amount determined to represent reasonable wear and tear.

8.4 A PA will provide specific details of any loan of Project Equipment. Project Equipment identified at the time of PA signature will be detailed in the PA as set out in Annex A of this MOU. Project Equipment which cannot be identified at the time of PA signature will be documented in a list to be developed and maintained by the SG in the format at Annex A of this MOU. Approval for all loans will be in accordance with national laws, regulations and procedures.

8.5 The Contributing Participants will make every effort to ensure that Project Equipment is furnished in a serviceable and usable condition according to its intended purpose. However, the providing Contributing Participant makes no warranty or guarantee of fitness of the Project Equipment for a particular purpose or use, and makes no commitment to alter, improve, or adapt the Project Equipment or any part thereof.

8.6 The providing Contributing Participant will transfer the Project Equipment for the approved loan period, unless extended by its written consent, provided that the duration may not exceed the effective period of the PA.

8.7 The providing Contributing Participant, at its expense, will deliver the Project Equipment to the receiving Contributing Participant at the location mutually approved. Responsibility for Project Equipment will pass from the providing Contributing Participant to the receiving Contributing Participant at time of receipt. Any further transportation is the responsibility of the receiving Contributing Participant.

8.8 The providing Contributing Participant will furnish the receiving Contributing Participant such information as is necessary to enable the Project Equipment to be used.

8.9 The receiving Contributing Participant will inspect and inventory the Project Equipment upon receipt. Prior to its return, the receiving Contributing Participant will also inspect the Project Equipment unless the Project Equipment is to be consumed.

8.10 Upon expiration or termination of the loan period specified in the PA, taking into account any extension, the receiving Contributing Participant will return Project Equipment at its expense to the providing Contributing Participant at the

location mutually approved. Any further transportation is the responsibility of the providing Contributing Participant.

8.11 The receiving Contributing Participant will provide written notice of consumption or expenditure of Project Equipment approved for such consumption or expenditure. In the event the intended consumption or expenditure does not occur, the receiving Contributing Participant will, unless otherwise determined by the providing Contributing Participant, return the Project Equipment to the providing Contributing Participant at the location mutually approved. Any further transportation is the responsibility of the providing Contributing Participant.

8.12 The Contributing Participants will ensure, by all reasonable means, the protection of proprietary rights in Project Equipment.

8.13 Any Project Equipment which is jointly acquired on behalf of the Contributing Participants for use under any PA will be disposed of as mutually approved by the Contributing Participants during the applicable Project or when the Project ends as decided by the WG.

8.14 Disposal of jointly acquired Project Equipment may include a transfer of title by the Contributing Participants in such Project Equipment to another Participant, or the sale of such Project Equipment in accordance with Section XIII (Third Party Sales and Transfers) of this MOU. The Contributing Participants will share the consideration from jointly acquired Project Equipment transferred or sold in the same ratio as costs are shared under the PA.

SECTION IX

DISCLOSURE AND USE OF PROJECT INFORMATION

9.1 General

9.1.1 Notwithstanding the provisions of paragraph 9.3, information may be exchanged for information purposes only for harmonizing the Participants' respective FAC requirements and for formulating, developing and negotiating PAs under this MOU. Such information may not be used for any other purpose by the receiving Participants or transferred to a Third Party without the prior written consent of the providing Participant.

9.1.2 The following provisions will apply to PAs unless the Contributing Participants decide alternative provisions in a PA.

9.1.3 The Participants recognize that successful collaboration depends on full and prompt exchange of information necessary to establish and carry out each PA and

for the use of its results. The nature and amount of Project Information to be acquired will be in accordance with Section II (Objective), Section VI (Contracting Provisions) and the PAs to this MOU. Subject to the rights the Participants are accorded under this MOU, title to Project Foreground Information generated by a Participant or its Contractor will reside in that Participant or its Contractors, in accordance with that Participant's national laws and regulations. The title to Project Background Information will be unaffected by this MOU and its PAs.

9.2 Participant Project Foreground Information

9.2.1 Disclosure: Project Foreground Information generated in the performance of a Project by a Contributing Participant's military or civilian employees will be disclosed without charge to all Contributing Participants.

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

9.3 Participant Project Background Information

9.3.1 Disclosure: Each Contributing Participant, upon request, will disclose to all Contributing Participants any relevant Participant Project Background Information generated by its military or civilian employees outside the scope of this MOU, provided that:

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

9.3.1.2 Such Project Background Information can be made available without incurring liability to holders of proprietary rights; and

9.3.1.3 Disclosure is consistent with national disclosure policies and regulations of the furnishing Contributing Participant.

9.3.2 Use: Participant Project Background Information disclosed by one Contributing Participant to the other Contributing Participant(s) may be used without charge by the other Contributing Participant(s) for Project purposes only; however, the furnishing Contributing Participant will retain all its rights with respect to such Project Background Information.

9.4 Contractor Project Foreground Information

9.4.1 Disclosure: Project Foreground Information generated and delivered by Contractors, will be disclosed without charge to all Contributing Participants.

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

9.5 Contractor Project Background Information

9.5.1 Disclosure: Any relevant Project Background Information, including information subject to proprietary rights, generated and delivered by Contractors or subcontractors under Contracts awarded by a Contributing Participant outside the scope of this MOU will be made available to the other Contributing Participant(s) provided the following conditions are met:

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

9.5.1.2 Such Project Background Information may be made available without incurring liability to holders of proprietary rights; and

9.5.1.3 Disclosure is consistent with national disclosure policies and regulations of the furnishing Contributing Participant.

9.5.2 Use: Project Background Information furnished by one Contributing Participant's contractors and disclosed to the other Contributing Participant(s) may be used without charge by the other Contributing Participant(s) for Project purposes only, and may be subject to further restrictions by holders of proprietary rights; however, the furnishing Contributing Participant will retain all its rights with respect to such Project Background Information.

9.6 Alternative Uses of Project Information

9.6.1 The prior written consent of each Contributing Participant will be required for the use of Project Foreground Information for purposes other than those provided for in this MOU.

9.6.2 Any Project Background Information provided by one Contributing Participant will be used by the other Contributing Participant(s) only for the

purposes set forth in this MOU, unless otherwise consented to in writing by the providing Contributing Participant.

9.7 Proprietary Project Information

9.7.1 All unclassified Project Information subject to proprietary rights will be identified, marked and handled as Controlled Unclassified Information. All classified Project Information subject to proprietary rights will be so identified and marked.

9.7.2 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 the 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.

9.8 Patents

9.8.1 Where a Contributing Participant owns title to a Project invention, or has the right to receive title to a Project invention, that Contributing Participant will consult with the other Contributing Participant(s) regarding the filing of a patent application for such Project invention. The Contributing Participant which has or receives title to such Project invention will file or cause to be filed in other countries, or provide the other Contributing Participant(s) with the opportunity to file on behalf of the Contributing Participant holding title, or its Contractors, as appropriate, patent applications covering that Project invention. If a Contributing Participant having filed or caused to be filed a patent application decides to stop prosecution of the application or maintenance of any patent granted thereon, that Contributing Participant will notify the other Contributing Participant(s) of that decision and permit the other Contributing Participant(s) to continue the prosecution or the maintenance.

9.8.2 Each Contributing Participant will be furnished with copies of patent applications filed and patents granted with regard to Project inventions.

9.8.3 Each Contributing Participant will acquire a non-exclusive, irrevocable, royalty-free license to practice or have practiced, by or on behalf of the Contributing Participant, throughout the world for Defense Purposes, any Project invention.

9.8.4. Patent applications to be filed under this MOU which contain Classified Information will be protected and safeguarded in accordance with the NATO Agreement for the 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.

9.8.5 Each Contributing Participant will notify the other Contributing Participant(s) of any patent infringement claims made in its territory arising in the course of work performed under any PA. Insofar as possible, the other Participant(s) will provide information available to it that may assist in defending the claim. Each Contributing Participant will be responsible for handling all patent infringement claims made in its territory, and will consult with the other Contributing Participant(s) during the handling, and prior to any settlement, of such claims. The Contributing Participants will share the costs of resolving patent infringement claims in the same percentage as they share the full financial costs and non-financial costs of the Project. The Contributing 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.

9.9 Subject to any proprietary rights, Project Foreground Information generated in the course of a PA may be released by a Contributing Participant to another Participant (non-contributing) as if it were a Third Party transfer pursuant to the provisions of Section XIII (Third Party Sales and Transfers) of this MOU.

SECTION X

CONTROLLED UNCLASSIFIED INFORMATION

10.1 Except as otherwise provided in this MOU or as authorized in writing by the originating Participant, Controlled Unclassified Information provided or generated pursuant to a PA to this MOU will be controlled as follows:

10.1.1 Such information will be used only for the purposes authorized for use of Project Information as specified in Section IX (Disclosure and Use of Project Information) of this MOU.

10.1.2 Access to such information will be limited to personnel whose access is necessary for the permitted use under paragraph 10.1.1 above, and will be subject to the provisions of Section XIII (Third Party Sales and Transfers) of this MOU.

10.1.3 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 paragraph 10.1.2 above, 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 provision, immediate notification will be given to the originating Participant.

10.2 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.

10.3 Controlled Unclassified Information provided or generated pursuant to a PA to this MOU will be handled in a manner that ensures control as provided for in paragraph 10.1 above.

10.4 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 Section.

SECTION XI

VISITS TO ESTABLISHMENTS

11.1 Each Participant will permit visits to its establishments, agencies and laboratories, and Contractor industrial facilities by employees of the other Participants or by employees of the other Participants' Contractor(s), provided that the visit is authorized by the respective Participants and the employees have any necessary and appropriate security clearances and a need-to-know.

11.2 All visiting personnel will be required to comply with security regulations of the Participant hosting the visit. 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.

11.3 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 visit procedures of the Participant hosting the visit. Requests for visits will cite this MOU and the appropriate PA.

11.4 Lists of personnel of the Participants required to visit, on a continuing basis, facilities of the other Participants will be submitted through official channels in accordance with recurring international visit procedures.

SECTION XII

SECURITY

12.1 All Classified Information or material provided or generated pursuant to this MOU and its PAs will be stored, handled, transmitted, and safeguarded by a

Participant in accordance with its national laws and regulations provided such protection is in a manner no less stringent than that provided for NATO classified material as described in NATO document C-M(55) 15 (Final), dated 15 October 1997, "Security Within the North Atlantic Treaty Organization", and subsequent supplements and amendments.

12.2 Classified Information and material will be transferred only through official government-to-government channels or through channels approved by the Designated Security Authorities (DSAs) of the Participants. Such Classified Information and material will bear the level of classification, denote the country of origin, the conditions of release, and the fact that the information relates to this MOU and the applicable PA.

12.3 Each Participant will take all lawful steps available to it to ensure that Classified Information and material provided or generated pursuant to this MOU and any of its PAs is protected from further disclosure, except as permitted by paragraph 12.8 hereunder, unless the respective Participant consents to such disclosure. Accordingly, each Participant will ensure that:

12.3.1 The recipient will not release the Classified Information and material to any government, national, organization, or other entity of a Third Party without the prior written consent of the respective Participant in accordance with the procedures described in Section XIII (Third Party Sales and Transfers) of this MOU.

12.3.2 The recipient will not use the Classified Information and material for other than the purposes provided for in this MOU.

12.3.3 The recipient will comply with any distribution and access restrictions on information and material that is provided under this MOU.

12.4 The Participants will investigate all cases in which it is known or where there are grounds for suspecting that Classified Information or material provided or generated pursuant to this MOU and any of its PAs has been lost or disclosed to unauthorized persons. Each Participant also will promptly and fully inform the other Participants of the details of any such occurrences, and of the final results of the investigation and of the corrective action taken to preclude recurrences.

12.5 When a draft PA contains provisions for the exchange of Classified Information or material, the EG will prepare a Project Security Instruction and a Classification Guide for the SG to use after the PA is signed. The Project Security Instruction and the Classification Guide will describe the methods by which Project Information and material will be classified, marked, used, transmitted, and safeguarded. The Instruction and Guide will be developed within three months after signature of the PA. They will be reviewed and forwarded to the appropriate

DSAs for approval and will be applicable to all government, Contractor and subcontractor personnel participating in the Project. The Project Security Instruction and the Classification Guide will be approved by the appropriate DSAs prior to the transfer of any Classified or Controlled Unclassified Information. Each Classification Guide will be subject to regular review and revision with the aim of downgrading the classification whenever this is appropriate.

12.6 The DSA of a Participant that awards a classified Contract under this MOU will assume responsibility for administering within its territory security measures for the protection of the Classified Information and material, in accordance with its laws and regulations. Prior to the release to a Contractor, prospective Contractor or subcontractor of any Classified Information and material received under this MOU, the DSAs will:

12.6.1 Ensure that such Contractor, prospective Contractor or subcontractors and their facilities have the capability to protect the Classified Information and material adequately.

12.6.2 Grant a security clearance to the facilities, if appropriate.

12.6.3 Grant a security clearance for all personnel whose duties require access to Classified Information and material, if appropriate.

12.6.4 Ensure that all persons having access to Classified Information and material are informed of their responsibilities to protect the Classified Information and material in accordance with national security laws and regulations, and the provisions of this MOU.

12.6.5 Carry out periodic security inspections of cleared facilities to ensure that the Classified Information and material is properly protected.

12.6.6 Ensure that access to the Classified Information and material is limited to those persons who have a need-to-know for purposes of the MOU.

12.7 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 and material provided or generated pursuant to this MOU and any of its PAs 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 and material. If enforceable measures are not in effect to preclude access by nationals or other entities of a Third Party, the respective Participant will be consulted for approval prior to permitting such access.

12.8 For any facility where Classified Information or material is to be used, the responsible Participant, Contractor or subcontractor will approve the appointment of a person or persons to exercise effectively the responsibilities for safeguarding at such facility the Classified Information or material pertaining to this MOU and any of its PAs. These officials will be responsible for limiting access to Classified Information or material involved in this MOU and any of its PAs to those persons who have been properly approved for access and have a need-to-know.

12.9 Each Participant will ensure that access to the Classified Information and material is limited to those persons who possess requisite security clearances and have a specific need for access to the Classified Information and material in order to participate in this MOU and any of its PAs.

12.10 Information or material provided or generated pursuant to this MOU and any of its PAs may be classified as high as "Secret". The existence of this MOU is unclassified and the contents are unclassified. The classification of a specific PA and its content will be stated in the PA.

SECTION XIII

THIRD PARTY SALES AND TRANSFERS

13.1 Each Contributing Participant will retain the right to sell, transfer title to, disclose, or transfer possession of Project Foreground Information:

13.1.1 Which is generated solely by either that Contributing Participant or that Contributing Participant's Contractors in the performance of that Contributing Participant's work allocation under Section III (Scope of Work) of a PA to this MOU; and

13.1.2 Which does not include any Project Foreground Information or Project Background Information of the other Contributing Participant(s), and whose generation, test or evaluation has not relied on the use of Project Equipment of the other Contributing Participant(s).

13.2 In the event questions arise as to whether the Project Foreground Information, or any item produced either wholly or in part from the Project Foreground Information, that a Contributing Participant intends to sell, transfer title to, disclose, or transfer possession of, to a Third Party is within the scope of paragraph 13.1 above, the matter will be brought to the immediate attention of the other Contributing Participant(s). The Contributing Participants will resolve the matter prior to any sale or other transfer of such Project Foreground Information, or any item produced wholly or in part from such Project Foreground Information, to a Third Party.

13.3 Except to the extent permitted in paragraph 13.1 above, a Contributing Participant will not sell, transfer title to, disclose, or transfer possession of Project Foreground Information to any Third Party without the prior written consent of the originating Contributing Participant(s). Furthermore, a Contributing Participant will not permit any such sale, disclosure, or transfer, including by the owner, without the prior written consent of the originating Contributing Participant(s). Such consent will not be given unless the government of the intended recipient confirms in writing with the Contributing Participants that it will:

13.3.1 Not retransfer, or permit the further retransfer of, any equipment or information provided; and

13.3.2 Use, or permit the use of, the equipment or information provided only for the purposes specified by the Contributing Participants.

13.4 A Contributing Participant will not sell, transfer title to, disclose, or transfer possession of Project Equipment or Project Background Information provided by another Contributing Participant to any Third Party, or use, or permit use of, the equipment or information other than as provided in this MOU, without the prior written consent of the Contributing Participant which provided such equipment or information. The providing Contributing Participant will be solely responsible for authorizing such transfers and, as applicable, specifying the method and conditions for implementing such transfers.

13.5 Consent for Third Party sales and transfers of Project Foreground Information or jointly acquired Project Equipment, or any item produced either wholly or in part from Project Foreground Information will not be withheld except for reasons of foreign policy, national security, or national laws. A Contributing Participant will not refuse approval of such a sale or transfer to a Third Party when it would be willing to sell or transfer such equipment or information to the same Third Party.

13.6 Sales and transfers of equipment developed or Project Foreground Information generated under a PA of this MOU may attract a levy to be shared among the Contributing Participants. Prior to any sale or other transfer, the amounts of any levy and the procedures for assessing and distributing such levy will be mutually determined by the Contributing Participants consistent with the laws and regulations of the Contributing Participants. Any Contributing Participant may reduce or waive its share of the levy.

SECTION XIV

LIABILITY AND CLAIMS

14.1 Claims against any Participant or its personnel will be dealt with in accordance with the terms of Article VIII of the NATO Status of Forces Agreement (NATO SOFA) dated 19 June 1951. Civilian employees of a Participant assigned to duty within its government's Defense Department or Ministry will be deemed for the purpose of Section VIII of the NATO SOFA to be members of a civilian component within the meaning of Section I of the NATO SOFA while present in the territory of another Participant for the purposes of this MOU and its PAs. However, claims for loss or damage to Project Equipment loaned under Section VIII (Project Equipment) of this MOU and its PAs will be dealt with in accordance with paragraph 8.3 of this MOU.

14.2 Claims arising under or related to any Contract awarded pursuant to Section VI (Contracting Provisions) of this MOU will be resolved in accordance with the provisions of the Contract.

14.3 The Participants will not indemnify Contractors against third party liability claims.

14.4 Employees and agents of Contractors will not be considered to be civilian personnel employed by a Contributing Participant for the purpose of paragraph 14.1 above.

14.5 In case of damage caused to or by jointly acquired Project Equipment, where the cost of making good such damage is not recoverable from other persons, such cost will be borne by the Contributing Participants according to the approved cost share percentages in the appropriate PA.

14.6 Claims not covered by paragraphs 14.1 and 14.2 above will be processed by the most appropriate Participant, as determined by and in consultation between the Participants, and will be resolved by those Participants in accordance with their national laws and any applicable international agreements between these Participants. If, however, liability results from the reckless acts or reckless omissions, willful misconduct or gross negligence of a Participant or its personnel, the costs of any liability will be borne by that Participant alone.

SECTION XV

PARTICIPATION OF ADDITIONAL PARTICIPANTS

15.1 It is recognized that other nations may wish to join this MOU.

15.2 Mutual consent of the Participants will be required to conduct discussions with potential participants. The Participants will decide upon the arrangements under which potential participants might join. The disclosure of any releasable Project Information to potential participants in discussions prior to joining will be consistent with Section IX (Disclosure and Use of Project Information), Section X (Controlled Unclassified Information), Section XII (Security) and Section XIII (Third Party Sales and Transfers) of this MOU.

15.3 The Participants will jointly formulate the provisions under which the potential participants might join. The addition of new participants to this MOU and to any existing PAs will require amendment of this MOU and the relevant PAs.

SECTION XVI

CUSTOMS DUTIES, TAXES AND SIMILAR CHARGES

16.1 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 each PA.

16.2 Each Participant will use its best efforts to ensure that customs duties, import and export taxes, and similar charges are waived or otherwise 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 territory they are levied will bear such costs in addition to its cost share under a PA.

16.3 If in order to comply with European Union (EU) regulations it is necessary to levy duties, then these will be borne by the EU Participant end-recipient, in addition to its cost share under a PA. To this end, parts or components of the equipment coming from outside the EU will proceed to their final destination accompanied by the relevant customs documents enabling settlement of the duties to take place.

SECTION XVII

PROJECT PERSONNEL

17.1 When determined in a PA, each Contributing Participant will be permitted to assign its military or civilian employees to serve as Project Personnel at facilities run by the other Contributing Participant(s) in accordance with the provisions of this Section. Assignment will be subject to any requirements that may be imposed by the Host Participant and the Parent Participant or their national authorities regarding approval of Project Personnel. An individual may serve for any length of time up to the completion or termination of the Project.

17.2 Project Personnel will not act in a liaison capacity and will perform functions as mutually determined by authorized representatives of the Host Participant and the Parent Participant in a written position description for each Project Personnel assignment.

FINANCIAL ARRANGEMENTS

17.3 The responsibilities of the Parent Participant or its Project Personnel, according to the Parent Participant's regulations, will include all costs and expenses of Project Personnel, including, but not limited to:

17.3.1 All pay and allowances.

17.3.2 Travel to and from the territory of the Host Participant.

17.3.3 All temporary duty costs, including travel costs, except for travel pursuant to paragraph 17.4 hereunder.

17.3.4 Compensation for loss of, or damage to, the personal property of Project Personnel, or the personal property of Project Personnel dependants.

17.3.5 The movement of dependants and the household effects of Project Personnel.

17.3.6 Preparation and shipment of remains and funeral expenses in the event of the death of Project Personnel or their dependants.

17.3.7 All expenses in connection with the return of Project Personnel and their dependants.

17.4 The Host Participant will be responsible for the following:

17.4.1 All temporary duty costs, including travel and subsistence costs in connection with the performance of any duty carried out pursuant to a Host

Participant unique requirement.

17.4.2 Costs incurred as a result of a change in location in work ordered by the Host Participant during the period of assignment.

17.5 The Host Participant will not charge for the use of facilities and equipment necessary for the performance of tasks assigned to Project Personnel.

17.6. The Host Participant will not provide any supplies or services related to those costs that, pursuant to paragraph 17.3 above, are the responsibility of the Parent Participant or its Project Personnel.

SECURITY

17.7 The Contributing Participants will establish the maximum level of security clearance required, if any, to permit Project Personnel to have access to Classified Information and work areas in accordance with the Project Security Instruction and Classification Guide. Access to Classified Information and facilities will be consistent with, and limited by, Section III (Scope of Work) of this MOU and the appropriate PA and will be kept to the minimum required to accomplish the work assignments.

17.8 Each Contributing Participant will cause security clearances to be filed through the Parent Participant's embassy in the territory of the Host Participant, stating the security clearances for the Project Personnel being assigned. The security assurances will be prepared and forwarded through prescribed channels in compliance with established Host Participant procedures.

17.9 The Host Organization and the Parent Organization will ensure that assigned Project Personnel are fully cognizant of applicable laws and regulations concerning the protection of proprietary information, such as patents, copyrights, know-how, and trade secrets, Classified Information and Controlled Unclassified Information to which access might be gained under the Project both during and after termination of an assignment. Prior to taking up assigned duties, Project Personnel will be required to sign the certification at Annex B of this MOU.

17.10 Project Personnel will at all times be required to comply with the security laws, regulations and procedures of the government of the Host Participant. Any violation of security procedures by Project Personnel during their assignment will be reported to the Parent Participant for appropriate action. Project Personnel committing willful violations of security laws, regulations, or procedures during their assignments will be withdrawn from the Project assignment by the Host Participant and the Parent Participant with a view toward appropriate administrative or disciplinary action by the Parent Participant.

17.11 All Classified Information made available to the Project Personnel will be considered as Classified Information furnished to the Parent Participant and will be subject to all provisions and safeguards provided for in Section XII (Security) of this MOU and in the appropriate Project Security Instruction and Classification Guide.

17.12 Project Personnel will not take custody of Classified Information or Controlled Unclassified Information in tangible form (for example, documents or electronic files) unless approved by the Host Participant and authorized by the Parent Participant, on a case-by-case basis.

ADMINISTRATIVE MATTERS

17.13 To the extent authorized by the national laws and regulations of the Host Participant, the Host Organization will provide administrative support necessary for Project Personnel to perform their assigned tasks.

17.14 Consistent with the national laws and regulations of the Host Participant, Project Personnel assigned under this MOU 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 national laws and regulations of the Host Participant, Project Personnel and their authorized dependants will be accorded:

17.14.1 Exemption from any tax on income received from the Parent Participant, according to the applicable fiscal international arrangements between the governments concerned.

17.14.2 Exemption from any customs and import duties or similar charges levied on items entering the territory of the Host Participant for their official use. The foregoing will not in any way limit privileges granted by the national laws and regulations of the Host Participant.

17.15 Project Personnel and their dependants will be informed by the Host Organization about applicable laws, orders, regulations, and customs and they will be required to comply with them. Project Personnel and their dependants also will be briefed by Host Organization personnel regarding their specific entitlements, privileges, and commitments upon their arrival in the territory of the Host Participant.

17.16 Project Personnel will observe the national/public holiday schedule of the Host Participant.

17.17 The Host Organization will determine working hours for Project Personnel. Project Personnel will have performance evaluations rendered in accordance with

the applicable Parent Participant regulations.

17.18 Project Personnel committing an offense under the applicable laws of either the Parent Participant or the Host Participant may be withdrawn from this Project assignment by either Participant with a view toward further administrative or disciplinary action by the Parent Participant. Disciplinary action will not be taken by the Host Participant against Project Personnel. The Host Participant will cooperate whenever legally possible in carrying out administrative or disciplinary action by the Parent Participant against its Project Personnel.

17.19 Any medical and dental care that may be provided to Project Personnel and their dependants at the Host Participant medical facilities will be subject to the requirements of the national laws and regulations of the Host Participant, including reimbursement when required by such laws and regulations.

17.20 In no case will Project Personnel be assigned to positions which would require exercise of command or be assigned to 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.

17.21 Project Personnel will not be placed on duty or in positions in areas of political sensitivity where their presence would jeopardize the interests of the Parent Participant, or where, in the normal course of their duty, they may become involved in activities which may embarrass the Parent Participant.

17.22 The Host Participant will not place Project Personnel in duty assignments in which direct hostilities with forces of third states are likely.

17.23 Purchasing and patronage privileges at military commissaries, exchanges, theaters and clubs will be extended to Project Personnel and their dependants on the same basis as equivalent personnel of the Host Participant. This provision will not, however, limit privileges described elsewhere in this MOU or other privileges granted by the Host Participant, at its discretion, with the consent of the Parent Participant.

17.24 Project Personnel will be granted leave according to their entitlements under the regulations of the Parent Organization, subject to the approval of the appropriate authorities of the Host Organization.

17.25 Project Personnel will be required to comply with the dress regulations of the Parent Organization and will also wear such identification as may be necessary to identify their nationality, rank and status. The order of dress for any occasion will be that which most nearly conforms to the order for the Host Organization with which they are serving. Customs of the Host Organization will be observed with respect to wearing of civilian clothes.

17.26 Consistent with the national laws and regulations of the Host Participant, and upon conditions of reciprocity, the Host Organization will provide, if available, housing and messing facilities for Project Personnel and their dependants on the same basis and priority as for its own personnel. Project Personnel will pay messing and housing charges to the same extent as personnel of the Host Organization. At locations where facilities are not provided by the Host Organization for its own personnel, the Parent Organization will make suitable arrangements for Project Personnel.

17.27 Project Personnel and those dependants accompanying them, must obtain motor vehicle liability insurance coverage in accordance with applicable laws and regulations of the Host Participant or the political subdivision where they are located. In case of claims involving the use of private motor vehicles, the first recourse will be against such insurance.

17.28 The NATO SOFA pertaining to rights and privileges of military and civilian personnel of a Contributing Participant while in the territory of another Contributing Participant will apply to Project Personnel and their dependants.

INTELLECTUAL PROPERTY RIGHTS

17.29 The respective rights of Project Personnel and the Contributing Participants to inventions (whether patentable or not patentable) made and Project Foreground Information generated by the Project Personnel during the period of and as a result of their participation in the Project will be governed by the national laws and regulations of the Parent Participant.

17.30 Notwithstanding the provisions of paragraph 17.29 above, where Project Personnel make inventions or generate Project Foreground Information by using Project Foreground Information or Project Background Information of the Host Participant, the Parent Participant will not use such inventions or information for purposes other than its Defense Purposes. Any sale or other transfer will be subject to the provisions of Section XIII (Third Party Sales and Transfers) of this MOU.

17.31 To the extent that the right and/or title to an invention or Project Foreground Information is assigned to the Parent Participant under the provisions of paragraph 17.29 above, the Parent Participant will grant free of charge to the Host Participant a worldwide, non-transferable, irrevocable, non-exclusive, royalty-free license to practice or have practiced such invention and to use Project Foreground Information for its Defense Purposes.

17.32 The Parent Participant of the Project Personnel will have first priority to prosecute, or to have prosecuted on their behalf, patent applications to secure rights granted under this Section. The Parent Participant will, within a reasonable time, notify the Host Participant of the countries in which it or its Project personnel

elects to file patent applications. For all other countries, the Host Participant may prosecute or have prosecuted on its behalf patent applications to secure such rights.

17.33 If the Parent Participant renounces exercise of the rights granted under this Section, such Participant will inform the Host Participant of its intention within twelve months. The Host Participant could, in that case, exercise the rights belonging to the Parent Participant referred to in paragraph 17.29 above.

17.34 Notwithstanding the provisions of paragraph 17.29 above, inventions and Project Foreground Information jointly made or generated by Host Participant and Project Personnel as a result of their participation in the Project will be jointly owned by the Host Participant and the Parent Participant. Any sale or transfer will be subject to the provisions of Section XIII (Third Party Sales and Transfers) of this MOU. Each Contributing Participant may practice or have practiced such jointly owned inventions or Information for its Defense Purposes. Where inventions are jointly owned, the Host Participant and Parent Participant will jointly decide which Participant will prosecute, or to have prosecuted on their behalf, patent applications to secure rights granted under this Section in the Host and Parent countries. The Host Participant and Parent Participant will jointly decide in which other countries patent applications will be filed and how any resulting income will be divided between the Contributing Participants.

17.35 Any additional compensation or award under an incentive award program or similar program due to the Project Personnel for the work performed under the Project will be the responsibility of the Parent Participant.

SECTION XVIII

SETTLEMENT OF DISPUTES

Disputes between the Participants arising under or relating to this MOU or its PAs will be resolved only by consultation between the Participants and will not be referred to a national court, 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.

19.2 In the event of a conflict between the terms of this MOU and any PA, this MOU will take precedence, except as authorized pursuant to paragraph 9.1.2 of this MOU.

SECTION XX

AMENDMENT, TERMINATION, WITHDRAWAL, ENTRY INTO EFFECT, AND DURATION

20.1 This MOU may be amended by the written approval of all Participants. Any of the PAs under this MOU may be amended by the written approval of all Contributing Participants.

20.2 This MOU and any of its PAs may be terminated at any time upon the written consent of all relevant Participants. In the event the relevant Participants consent to terminate this MOU or its PAs, the relevant Participants will consult prior to the date of termination to ensure termination on the most economical and equitable terms. All PAs will automatically terminate upon termination of this MOU.

20.3 A Contributing Participant's participation in any PA may cease upon 90 days written notification of its intent to withdraw to the other Contributing Participant(s). Such notice will be the subject of immediate consultation among the Contributing Participants to decide upon the appropriate course of action. In the event of such withdrawal, the following rules apply:

20.3.1 The withdrawing Contributing Participant will continue participation, financial or otherwise, up to the effective date of withdrawal.

20.3.2 The remaining Contributing Participants will decide whether they will continue to execute the PA on the basis of the reduced participation or terminate the PA. If, as the result of withdrawal by Contributing Participant(s), there is only one Contributing Participant remaining, the PA will be considered terminated.

20.3.3 Except as to Contracts awarded on behalf of all Contributing Participants, each Contributing Participant will be responsible for its own costs associated with withdrawal. For Contracts awarded on behalf of all Contributing Participants, the withdrawing Contributing Participant(s) will pay all Contract modification or termination costs that would not otherwise have been incurred but for the decision to withdraw; in no event, however, will a withdrawing Contributing Participant's total financial contribution, including Contract termination costs, exceed that Contributing Participant's total financial contribution as established in the PA.

20.3.4 All Project Information and associated rights, received under the provisions of this MOU and any of its PAs prior to withdrawal, will be retained by the Contributing Participants, subject to the provisions of this MOU.

20.3.5 Each Contributing Participant will make available to the other Contributing Participant(s) its Participant and Contractor Project Foreground Information generated and delivered prior to withdrawal, and which has not been provided to the other Contributing Participant(s) prior to withdrawal.

20.3.6 If requested by the other Contributing Participant(s), the withdrawing Contributing Participant may continue to administer Project Contract(s), which it awarded on behalf of all the Contributing Participants, on a reimbursable basis.

20.4 The respective rights and commitments of the Participants regarding Section VIII (Project Equipment), Section IX (Disclosure and Use of Project Information), Section X (Controlled Unclassified Information), Section XII (Security), Section XIII (Third Party Sales and Transfers), and Section XIV (Liability and Claims) of this MOU will continue to apply notwithstanding termination or expiration of this MOU and any of its PAs.

20.5 This MOU, which consists of twenty (20) Sections and two (2) Annexes, will enter into effect upon the date of last signature, and will remain in effect for 25 years, unless terminated or extended by mutual consent of the Participants. PAs will enter into effect upon the date of last signature of the Contributing Participants. All PAs will automatically terminate upon the termination of this MOU. PAs entering into effect before the expiration of this MOU will remain in effect until the date of their original expiration; the provisions of this MOU will continue to apply to those PAs.

The foregoing represents the understandings of the Minister of Defence of the French Republic, the Federal Ministry of Defence of the Federal Republic of Germany, the Secretary of State for Defence of the United Kingdom of Great Britain and Northern Ireland and the Department of Defense of the United States of America upon the matters referred to herein. Signed, in twelve originals, four in English and four in French, and four in German, each version having equal validity.

FOR THE MINISTER OF DEFENCE OF THE FRENCH REPUBLIC

Signature

Name ~~Le délégué général pour l'armement~~ Yves GLEIZES

Title

Date 3 MAI 2002

Location Paris

FOR THE FEDERAL MINISTRY OF DEFENCE OF THE FEDERAL REPUBLIC OF GERMANY

Signature

Name GIESECKE

Title MinRat

Date 26 MAR 02

Location Gramat / FR

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

Signature

Name

Title AM

Date 05 APR 02

Location MoD London / UK

FOR THE DEPARTMENT OF DEFENSE OF THE UNITED STATES OF AMERICA

Signature

Name McFARLAND

Title US Air SNR

Date 26 MAR 02

Location GRAMAT / FR

NOTE: Only the English language text will be printed in this publication.

ANNEX A
PROJECT ARRANGEMENT FORMAT

PROJECT ARRANGEMENT NO. ****

TO THE

FUTURE AIR CAPABILITIES PROJECTS
MEMORANDUM OF UNDERSTANDING
DATED *****

CONCERNING

[Title of the Project]

AMONG THE FOLLOWING CONTRIBUTING PARTICIPANTS

[List Contributing Participants]

(Short Title: _____ PA *[if desired])*

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INTRODUCTION

This Project Arrangement (PA) hereby establishes the _____ Project, in accordance with the Memorandum of Understanding among the Minister of Defense of the French Republic, the Federal Ministry of Defense of the Federal Republic of Germany, the Secretary of State for Defence of the United Kingdom of Great Britain and Northern Ireland, and the Department of Defense of the United States of America, for Future Air Capabilities Projects, dated ___ *[date of FAC MOU entry into effect]*, the provisions of which are hereby incorporated by reference.

The Contributing Participants for this PA are: *[the Minister of Defense of the French Republic, the Federal Ministry of Defense of the Federal Republic of Germany, the Secretary of State for Defence of the United Kingdom of Great Britain and Northern Ireland, and the Department of Defense of the United States of America- List as appropriate the Contributing Participants].*

SECTION I

DEFINITION OF TERMS AND ABBREVIATIONS

[*Note: Define only those terms used in this PA not already defined in the MOU. If there are none, insert "None".*]

SECTION II

OBJECTIVES

2.1 The objectives of this *[ACTD, CE or PDRR - choose one, or all that apply]* are:

2.1.1 _____.

2.1.2 _____.

[Include as many objectives as necessary]

SECTION III

SCOPE OF WORK

3.1 The following tasks will be carried out under this PA.

[Describe the ACTD, CE, PDRR effort]

3.1.1 _____.

3.1.2 _____.

[Include as many tasks as necessary]

SECTION IV

SHARING OF TASKS

4.1 The sharing of tasks among the Contributing Participants will be as follows:

4.1.1 The French Contributing Participant will _____
_____.

4.1.2 The German Contributing Participant will _____
_____.

4.1.3 The UK Contributing Participant will _____
_____.

4.1.4 The US Contributing Participant will _____
_____.

4.1.5 The Contributing Participants will jointly _____
_____.

[Complete above as appropriate]

SECTION V

SCHEDULE OF TASKS

5.1 It is planned that the Project will proceed according to the following schedule:

[*Task 1*	*Start*	*Duration*
Description of Task 1	____	_____

Task 2	*Start*	*Duration*
Description of Task 2	____	____

Task 3	*Start*	*Duration*
Description of Task 3	____	____

[List tasks. Also include appropriate details, such as phases and milestones depending on the complexity of Project.]

5.2 The Systems Group (SG) must submit a final report to the FAC MOU Working Group (WG) before the expiration date of this PA.

SECTION VI

MANAGEMENT

6.1 SG - Contributing Participants' main representatives:

6.1.1 French Contributing Participant:	*Title/Position* *Organization* *Address*
6.1.2 German Contributing Participant:	*Title/Position* *Organization* *Address*
6.1.3 UK Contributing Participant:	*Title/Position* *Organization* *Address*
6.1.4 US Contributing Participant:	*Title/Position* *Organization* *Address*

[Complete as appropriate]

6.2 Particular Management Procedures: *[Mention only those additional management responsibilities not covered under Section IV of the MOU].*

SECTION VII

FINANCIAL ARRANGEMENTS

7.1 The French Contributing Participant share of the work will not cost more than ___€.

7.2 The German Contributing Participant share of the work will not cost more than ___€.

7.3 The UK Contributing Participant share of the work will not cost more than £ __.

7.4 The US Contributing Participant share of the work will not cost more than $__.

[Complete as appropriate]

7.5 The total cost of work under this PA is _____. For purposes of this section, the relevant exchange rates are: _____.

SECTION VIII

SPECIAL PROVISIONS

[If no special provisions apply, insert "None". If otherwise, insert and complete as follows:

In addition to the provisions of Section _____ of the FAC MOU, the following special provisions apply to this PA:

List whatever special provisions might apply]

SECTION IX

LEVEL OF CLASSIFICATION

9.1 *[Select one of the three following possibilities:]*

No Classified Information will be exchanged under this PA; or

The highest level of Classified Information exchanged under this PA is "Confidential"; or

The highest level of Classified Information exchanged under this PA is "Secret".]

9.2 The existence of this PA is *unclassified** and the contents are *unclassified**.

[* *Revise where appropriate*]

SECTION X

PRINCIPAL ORGANIZATIONS INVOLVED

[List laboratories, research centers, and other organizations involved, including Contractors as appropriate]

SECTION XI

PROJECT EQUIPMENT

[If there is no loan of Project Equipment, insert "None". If otherwise, choose one of the following three options:]

Option 1 - When details are known at time of PA development:

11.1 In accordance with Section VIII (Project Equipment) of the FAC MOU, the loan of the following Project Equipment is necessary for executing this PA:

Providing Participant	*Receiving Participant*	*QTY*	*Description*	*Part/ Stock*	*Consumables/ Non-Consumables*	*Value*	*Start Date of Loan*	*Return Date*

[Fill in as appropriate]

Option 2 - When details are not known at time of PA development:

11.1 In accordance with Section VIII (Project Equipment) of the FAC MOU, the loan of Project Equipment will be necessary for executing this PA. Project Equipment to be loaned will be documented in a list in the following format.

Providing Participant	*Receiving Participant*	*QTY*	*Description*	*Part/ Stock*	*Consumables/ Non-Consumables*	*Value*	*Start Date of Loan*	*Return Date*

[Fill in as appropriate]

The list will be developed and maintained by the SG for approval the WG after appropriate national approvals have been obtained.

Option 3 - When some details are known at time of PA development, and additional details of future loan are not known:

11.1 In accordance with Section VIII (Project Equipment) of the FAC MOU, the loan of the following Project Equipment is necessary for executing this PA.

Providing Participant	*Receiving Participant*	*QTY*	*Description*	*Part/ Stock*	*Consumables/ Non-Consumables*	*Value*	*Start Date of Loan*	*Return Date*

[Fill in as appropriate]

11.2 In accordance with Section VIII (Project Equipment) of the FAC MOU, additional Project Equipment will be necessary for executing this PA. Project Equipment to be loaned will be documented in a list in the following format.

Providing Participant	*Receiving Participant*	*QTY*	*Description*	*Part/ Stock*	*Consumables/ Non-Consumables*	*Value*	*Start Date of Loan*	*Return Date*

[Fill in as appropriate]

The list will be developed and maintained by the SG for approval by the WG after appropriate national approvals have been obtained.

SECTION XII

PROJECT PERSONNEL

[If there is no assignment of Project Personnel, insert "None". If otherwise,, choose one of the following three options:]

Option 1 - When assignment details are known at time of PA development:

12.1 In accordance with Section XVII (Project Personnel) of the FAC MOU, assignment of the following Project Personnel are necessary for executing this PA:

[Identify in as much detail as possible the Parent Organization, Host Organization, duration of assignment, professional specialty, rank, required clearance, tasks, etc]

Option 2 - When assignment details are not known at time of PA development:

12.1 In accordance with Section XVII (Project Personnel) of the FAC MOU, assignment of the Project Personnel will be necessary for executing this PA. Project Personnel to be assigned will be documented in a list which will be developed and maintained by the SG for approval by the WG after appropriate national approvals have been obtained.

<u>Option 3</u> - When some assignment details are known at time of PA development, and details of future assignments are not known:

12.1 In accordance with Section XVII (Project Personnel) of the FAC MOU, assignment of the following Project Personnel are necessary for executing this PA:

[Identify in as much detail as possible the Parent Organization, Host Organization, duration of assignment, professional specialty, rank, required clearance, tasks, etc]

12.2 In accordance with Section XVII (Project Personnel) of the FAC MOU, assignment of additional Project Personnel will be necessary for executing this PA. Project Personnel to be assigned will be documented in a list which will be developed and maintained by the SG for approval by the WG after appropriate national approvals have been obtained.

SECTION XIII

ENTRY INTO EFFECT, DURATION AND TERMINATION

This ___*[Project Title]* PA will enter into effect upon the date of last signature of the Contributing Participants. It will remain in effect for ___ years, unless terminated in writing by the Contributing Participants. It may be extended by mutual written consent of the Contributing Participants.

Signed, in *[___ originals, ___ in English, ___ in French, and ___ in German,]* each version having equal validity. *[Adjust above and below, as appropriate, for Contributing Participants]*

FOR THE MINISTER OF DEFENSE OF THE FRENCH REPUBLIC

_____
Signature

_____
Name

_____
Title

_____
Date

_____
Location

FOR THE FEDERAL MINISTRY OF DEFENSE OF THE FEDERAL REPUBLIC OF GERMANY

_____
Signature

_____
Name

_____
Title

_____
Date

_____
Location

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

_____
Signature

_____
Name

_____
Title

_____
Date

_____
Location

FOR THE DEPARTMENT OF DEFENSE OF THE UNITED STATES OF AMERICA

_____
Signature

_____
Name

_____
Title

_____
Date

_____
Location

ANNEX B

CERTIFICATION OF CONDITIONS AND RESPONSIBILITIES FOR FUTURE AIR CAPABILITIES (FAC) PROJECT PERSONNEL

I acknowledge that I have been accepted for assignment to ___ *[insert name and location of establishment to which assigned]* pursuant to ___ *[identify the Project Arrangement (PA) which provides for the assignment]*. Capitalized terms in this certification have the meanings defined in the FAC MOU. In connection with this assignment, I further acknowledge and certify that I shall comply with the following conditions and responsibilities:

1. The purpose of the assignment is to provide my expertise to the Project. There shall be no access to information except as required to perform the duties described in the position description of the position to which I am assigned, as determined by my designated supervisor.

2. I shall perform only functions which are properly assigned to me as described in the position description for my assignment and shall not act in any other capacity to the Host Participant on behalf of my Parent Participant.

3. All Project Information to which I may have access during this assignment shall be treated as information provided to my Parent Participant in confidence and shall not be further released or disclosed by me, except as authorized by the FAC MOU and the aforementioned PA.

4. When dealing with individuals outside of my immediate office of assignment on official matters, I will inform such individuals that I am a foreign Project Person.

5. I have been briefed on, understand, and will comply with all applicable Host Participant security regulations concerning the protection of proprietary information (such as patents, copyrights, know-how and trade secrets), Classified Information and Controlled Unclassified Information.

6. I will immediately report to my designated supervisor all attempts to obtain Classified Information, proprietary information or Controlled Unclassified Information to which I may have access as a result of this assignment.

(Typed Name)	(Signature)
(Rank/Title)	(Date)

AMENDMENT ONE

TO THE

MEMORANDUM OF UNDERSTANDING

AMONG

THE MINISTER OF DEFENSE
OF THE FRENCH REPUBLIC,

THE FEDERAL MINISTRY OF DEFENSE
OF THE FEDERAL REPUBLIC OF GERMANY,

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

AND

THE DEPARTMENT OF DEFENSE
OF THE UNITED STATES OF AMERICA

FOR

FUTURE AIR CAPABILITIES PROJECTS

(SHORT TITLE: FAC MOU)

RELATING TO THE PARTICIPATION OF THE MINISTER OF DEFENCE OF
THE REPUBLIC OF ITALY IN THE FAC MOU

INTRODUCTION

The Minister of Defense of the French Republic, The Federal Ministry of Defense of the Federal Republic of Germany, the Secretary of State for Defence of the United Kingdom of Great Britain and Northern Ireland, and the Department of Defense of the United States of America, hereinafter referred to as the "Participants" and the Minister of Defense of the Italian Republic,

Taking note of the Italian request to join the FAC MOU;

Recognizing the interest for the FAC Projects of the joining of Italy;

Wishing to include the Minister of Defense of the Italian Republic as a Participant to the FAC MOU;

Have reached the following understandings:

I. AMENDMENTS

In accordance with Section XV of the FAC MOU, the FAC MOU is hereby amended as follows:

1. TITLE PAGE: Replace the current Title Page with the following Title Page:

MEMORANDUM OF UNDERSTANDING

AMONG

THE MINISTER OF DEFENSE
OF THE FRENCH REPUBLIC,

THE FEDERAL MINISTRY OF DEFENSE
OF THE FEDERAL REPUBLIC OF GERMANY,

THE MINISTER OF DEFENSE OF THE ITALIAN REPUBLIC,

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

AND

THE DEPARTMENT OF DEFENSE
OF THE UNITED STATES OF AMERICA

FOR

FUTURE AIR CAPABILITIES PROJECTS

(SHORT TITLE: FAC MOU)

2. In the INTRODUCTION to the FAC MOU:

a. Add the phrase *"the Minister of Defense of the Italian Republic,"* between the phrases "the Federal Ministry of Defense of the Federal Republic of Germany," and "the Secretary of State for Defence of the United Kingdom of Great Britain and Northern Ireland,"

b. Delete the word *"Four"* and replace with word *"Five"* in the phrase "Seeking to make the best ..... National Armament Directors (NADs)".

c. Add *"Italy"* after "Germany" in the same phrase "Seeking to make the best ..... National Armament Directors (NADs)".

3. In SECTION XX AMENDMENT, TERMINATION, WITHDRAWAL, ENTRY INTO EFFECT, AND DURATION of the FAC MOU:

In the final paragraph beginning "The foregoing represents the understandings of ...." add *"the Minister of Defense of the Italian Republic,"* after "the Federal Ministry of Defense of the Federal Republic of Germany,".

4. FAC MOU ANNEX A PROJECT ARRANGEMENT FORMAT:

a. In the INTRODUCTION:

1. In the first paragraph, add the phrase *"the Minister of Defense of the Italian Republic,"* between the phrases "the Federal Ministry of Defense of the Federal Republic of Germany," and "the Secretary of State for Defence of the United Kingdom of Great Britain and Northern Ireland, and the Department of Defense of the United States".

2. Also in the first paragraph, replace "dated _____*[date of FAC MOU entry into effect,*" with "dated 3 May 2002, as amended,".

3. In the second paragraph, add the phrase "*the Minister of Defense of the Italian Republic*," between the phrases "*the Federal Ministry of Defense of the Federal Republic of Germany*," and "*the Secretary of State for Defence of the United Kingdom of Great Britain and Northern Ireland, and the Department of Defense of the United States*".

b. Replace SECTION IV SHARING OF TASKS with:

4.1 The sharing of tasks among the Contributing Participants will be as follows:

4.1.1 The French Contributing Participant will

_____.

4.1.2 The German Contributing Participant will

_____.

4.1.3 The Italian Contributing Participant will

_____.

4.1.4 The UK Contributing Participant will

_____.

4.1.5 The US Contributing Participant will

_____.

4.1.6 The Contributing Participants will jointly

_____.

[Complete above as appropriate]

c. Replace paragraph 6.1 in SECTION VI MANAGEMENT with:

6.1 SG - Contributing Participants' main representatives:

6.1.1 French Contributing Participant:	Title/Position Organization Address
6.1.2 German Contributing Participant:	Title/Position Organization Address
6.1.3 Italian Contributing Participant	Title/Position Organization Address
6.1.4 UK Contributing Participant:	Title/Position Organization Address
6.1.5 US Contributing Participant:	Title/Position Organization Address

[Complete as appropriate]

d. Replace SECTION VII FINANCIAL ARRANGEMENTS with:

7.1 The French Contributing Participant share of the work will not cost more than ___€.

7.2 The German Contributing Participant share of the work will not cost more than ___€.

7.3 The Italian Contributing Participant share of the work will not cost more than __€.

7.4 The UK Contributing Participant share of the work will not cost more than £__.

7.5 The US Contributing Participant share of the work will not cost more than $__.

7.6 The total cost of work under this PA is _____. For purposes of this section, the relevant exchange rates are: _____.

[Complete as appropriate]

e. In the SECTION XIII ENTRY INTO EFFECT, DURATION AND TERMINATION:

Add the following signature block:

FOR THE MINISTER OF DEFENSE OF THE ITALIAN REPUBLIC

_____
Signature

_____
Name

_____
Title

_____
Date

_____
Location

II. This Amendment One to the FAC MOU will enter into effect upon the date of the last signature below. All other provisions of the FAC MOU remain unchanged.

The foregoing represents the understandings of the Minister of Defense of the French Republic, the Federal Ministry of Defense of the Federal Republic of Germany, the Minister of Defense of the Italian Republic, the Secretary of State for Defence of the United Kingdom of Great Britain and Northern Ireland and the Department of Defense of the United States of America upon the matters referred to herein. Signed, in five originals each of the English, French, and German languages, each language text being equally authentic.

FOR THE MINISTER OF DEFENSE OF THE FRENCH REPUBLIC

Signature
Yves Gleizes
Name
National Armament Director
Title
27 OCT. 2003
Date
Paris, France
Location

FOR THE FEDERAL MINISTRY OF DEFENSE OF THE FEDERAL REPUBLIC OF GERMANY

Signature
Tjark Happach, Ministerialdirigent
Name
GE Air Senior National Representative
Title
7 Oct 03
Date
Überlingen, Germany
Location

FOR THE MINISTER OF DEFENSE OF THE ITALIAN REPUBLIC

Signature
Nazzareno Cardinali, Major General, IT MOD
Name
IT Air Senior National Representative
Title
7 Oct 03
Date
Überlingen, Germany
Location

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

Signature
Nigel Day, Air Vice-Marshal, UK MOD
Name
UK Air Senior National Representative
Title
7 Oct 03
Date
Überlingen, Germany
Location

FOR THE DEPARTMENT OF DEFENSE OF THE UNITED STATES OF AMERICA

Signature
Jonathan S. Gration, Major General, USAF
Name
US Air Senior National Representative
Title
7 Oct 03
Date
Überlingen, Germany
Location