

DEFENSE

Research and Development

**Agreement Between the
UNITED STATES OF AMERICA
and SPAIN**

Signed at Ferrol February 28, 2002

with

Annex

and

Agreements Amending the Project
Agreement Annex of the Agreement

Signed at Arlington and Madrid
June 24 and 27, 2008

Signed at Washington and Madrid
June 26 and 29, 2009

and

Agreement Amending and Extending the
Agreement
Signed at Washington and Madrid
February 7 and 28, 2012



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.”

SPAIN

Defense: Research and Development

Agreement signed at Ferrol February 28, 2002;

Entered into force February 28, 2002.

With annex.

*And agreements amending the project agreement annex
to the agreement.*

Signed at Arlington and Madrid June 24 and 27, 2008;

Entered into force June 27, 2008.

Signed at Washington and Madrid June 26 and 29, 2009;

Entered into force June 29, 2009.

And agreement amending and extending the agreement.

Signed at Washington and Madrid

February 7 and 28, 2012;

Entered into force February 28, 2012.

AGREEMENT BETWEEN

THE DEPARTMENT OF DEFENSE
OF THE UNITED STATES OF AMERICA

AND

THE MINISTER OF DEFENSE
OF THE KINGDOM OF SPAIN

FOR RESEARCH, DEVELOPMENT, TEST, EVALUATION, PRODUCTION, AND
LIFE CYCLE SUPPORT ACTIVITIES FOR
TECHNOLOGIES AND SYSTEMS
FOR AEGIS-EQUIPPED SHIPS
(AEGIS FRAMEWORK MOA)

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PREAMBLE

The Department of Defense of the United States of America (U.S. DOD) and the Minister of Defense of the Kingdom of Spain (Spanish MOD), hereinafter referred to as the "Parties":

Having a common interest in defense;

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

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

Recognizing the objectives of the Statement of Intentions for Enhanced Cooperation Between the United States Navy and the Spanish Navy in Matters Relating to In-Service Support of AEGIS-Equipped Ships of 19 October 2001;

Having a mutual need for research, development, test, evaluation, production, and life cycle support activities for technologies and systems for AEGIS-Equipped Ships to satisfy similar operational requirements; and

Desiring to establish a framework within this Memorandum of Agreement (AEGIS Framework MOA) to pursue cooperative efforts in individually negotiated AEGIS Combat System (ACS) Project Agreements (PAs) for research, development, test, evaluation, production, and life cycle support activities for technologies and systems for AEGIS-Equipped Ships;

Have agreed as follows:

ARTICLE I
DEFINITIONS

The Parties have agreed upon the following definitions for terms used in this AEGIS Framework MOA:

AEGIS Combat System	For purposes of this MOA, the AEGIS Combat System is defined as the AEGIS Display System (ADS), the AN/SPY-1D radar, the Command & Decision System(C&D), the Weapons Control System (WCS), the Fire Control System (FCS), the AEGIS Combat Training System (ACTS), the Operational Readiness Test System (ORTS), and the Vertical Launch System (VLS).
AEGIS Combat System Project Agreement (ACSPA)	An individually negotiated agreement, concluded after the AEGIS Framework MOA has entered into force, that specifically details the terms of collaboration on a specific project.
AEGIS-Equipped Ships	Those ships which are equipped with the AEGIS Combat System as defined in this MOA.
Classified Information	Official information that requires protection in the interests of national security and is so designated by the application of a security classification marking. This information may be in oral, visual, magnetic, or documentary form or in the form of equipment or technology.
Contract	Any mutually binding legal relationship under national laws that obligates a Contractor to furnish supplies or services, and obligates one or both of the Parties to pay for them.
Contracting	The obtaining of supplies or services by Contract from sources outside the government organizations of the Parties. Contracting includes description (but not determination) of supplies and services required, solicitation and selection of sources, preparation and award of Contracts, and all phases of Contract administration.
Contracting Agency	The entity within the government organization of a Party, which has authority to enter into, administer, or terminate Contracts.
Contracting Officer	A person representing a Contracting Agency of a Party who has the authority to enter into, administer, or terminate Contracts.

Contractor	Any entity awarded a Contract by a Party's Contracting Agency.
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 AEGIS Framework MOA or a ACS PA under it, the information shall be marked to identify its "in confidence" nature. It could include information, which has been declassified, but remains controlled.
Cooperative Project Personnel (CPP)	Military members or civilian employees of a Parent Party assigned to the Project Management Office or the other Party's establishments who perform managerial, engineering, technical, administrative, Contracting, logistics, financial, planning, or other functions in furtherance of a Project.
Defense Purposes	Manufacture or other use in any part of the world by or for the armed forces of either Party.
Designated Security Authority (DSA)	The security office approved by national authorities to be responsible for the security aspects of this AEGIS Framework MOA or an ACS PA under it.
Financial Contribution	Project costs met with monetary contributions.
Host Party	The Party whose nation serves as the location of the Project management office.
Non-financial Contribution	Project costs met with non-monetary contributions.
Parent Party	The Party that sends its CPP to the Project management office located in the nation of the other Party.
Patent	Legal protection of the right to exclude others from making, using, or selling an invention. The term refers to any and all Patents including, but not limited to, Patents of implementation, improvement or addition, petty Patents, utility models, appearance design Patents, registered designs, and inventor certificates or like statutory protection as well as divisions, reissues, continuations, renewals, and extensions of any of these.

Project Collaborative activity done under an AEGIS Combat System Project Agreement (ACS PA) concluded pursuant to this AEGIS Framework MOA.

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 Information generated in the performance of a Project.

Project Information Any information provided to, generated in, or used in a Project regardless of form or type, including, but not limited to, that of a scientific, technical, business, or financial nature, and also including photographs, reports, manuals, threat data, experimental data, test data, 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 Invention Any invention or discovery formulated or (conceived or "first actually reduced to practice") in the course of work performed under a Project. The term first actually reduced to practice means the first demonstration, sufficient to establish to one skilled in the art to which the invention pertains, of the operability of an invention for its intended purpose and in its intended environment.

Third Party A government other than the government of a Party and any person or other entity whose government is not the government of a Party.

ARTICLE II
OBJECTIVES

2.1. This AEGIS Framework MOA provides the means for the Parties to pursue individually negotiated AEGIS Combat System Project Agreements (ACS PAs) for cooperative research, development, test, evaluation, production, and life cycle support activities for technologies and systems for AEGIS-Equipped Ships.

2.2. The objectives of this AEGIS Framework MOA are to:

2.2.1. Establish a framework and general principles that shall apply to the initiation, conduct, and management of cooperative efforts in ACS PAs concluded pursuant to this AEGIS Framework MOA; and

2.2.2. Promote cooperation between the Parties in research, development, testing, evaluation, production, and life-cycle support for AEGIS-Equipped Ships.

2.3. Detailed terms and conditions of each individual ACS PA shall be consistent with this AEGIS Framework MOA. Unless specifically stated otherwise in the relevant ACS PA, the provisions of this AEGIS Framework MOA shall apply to each ACS PA under this AEGIS Framework MOA. In the event of a conflict between the provisions of this AEGIS Framework MOA and an ACS PA, the AEGIS Framework MOA shall govern. ACS PAs shall generally follow the format and content provided at Annex A (Sample AEGIS Combat System Project Agreement).

ARTICLE III
SCOPE OF WORK

3.1. The overall work to be pursued under individually negotiated ACS PAs concluded pursuant to this AEGIS Framework MOA includes research, development, test, evaluation, production, and life-cycle support activities for AEGIS-Equipped Ships. ACS PA activity may range from, but not be limited to, conceptual studies to technology demonstrations, production, loan of equipment and software for testing and evaluation purposes, and life-cycle support. However, in no instance will computer program source code be loaned or otherwise provided under this MOA.

3.2. In the event of a conflict between the provisions of this AEGIS Framework MOA and an ACS PA, the AEGIS Framework MOA shall govern, unless the Parties specifically decide otherwise and document such decision in the ACS PA. As a minimum, each ACS PA shall include Articles covering Objectives, Scope of Work, Management, Financial Arrangements, and Entry into Force and Duration. A sample ACS PA is provided as Annex A (Sample AEGIS Combat System Project Agreement) to this AEGIS Framework MOA.

3.3. Information exchanged specifically for the purpose of harmonizing the Parties requirements for formulating, developing, and negotiating ACS PAs is permitted under this AEGIS Framework MOA. If information is exchanged but no ACS PA is signed, Article IX (Disclosure and Use of Project Information) of this AEGIS Framework MOA shall apply and the receiving Party may only use such exchanged information received from the other Party for information and evaluation purposes. For purposes of applying Article XIII (Third Party Sales and Transfers), such exchanged information shall be treated as Project Background Information.

ARTICLE IV
MANAGEMENT (ORGANIZATION AND RESPONSIBILITY)

4.1. The Parties shall maintain and fund their own organizations for managing this AEGIS Framework MOA and its associated ACS PAs. The Parties shall establish a Board of Principal Representatives (PR Board) for this AEGIS Framework MOA. Both Parties shall establish and identify in writing to each other their principal representative (PR) to the PR Board. For the U.S. DOD the PR shall be the Program Executive Officer for Theater Surface Combatants (PEO(TSC)). For the Spanish Navy the PR shall be the Director, Spanish Naval Construction (Director de Construcciones Navales). The PR Board shall meet and make decisions on a unanimous basis and shall be responsible for:

- 4.1.1. monitoring the overall effectiveness of the AEGIS Framework MOA;
- 4.1.2. providing recommendations to the Parties for new ACS PAs or amendment to existing ACS PAs;
- 4.1.3. providing recommendations to the Parties for the addition of new AEGIS Framework MOA Parties in accordance with Article XIV (Participation of Additional Parties);
- 4.1.4. meeting as needed to identify new potential ACS PAs; and
- 4.1.5. Designating a point of contact for the exchange of information to harmonize requirements for the development and negotiation of potential ACS PAs, in accordance with paragraph 3.3. of Article III (Scope of Work).

4.2. ACS PAs shall in most instances be directed and administered by an organization consisting of a Project Steering Committee (PSC), a U.S. Project Manager (PM), and a Spanish Deputy Project Manager (Deputy PM).

4.3. Where an ACS PA establishes a PSC, each Party shall appoint a representative to the PSC. PSC members may also be PR members. The PSC shall have overall responsibility for management of that ACS PA. In order to review the Project, each PSC shall meet as often as set forth in the ACS PA or as often as the PSC members mutually agree. The PSC meeting typically

shall be chaired by the U.S. PSC representative. Decisions of the PSCs shall be made unanimously, except those addressing the unique national requirements of a Party. In the event that a PSC is unable to reach a timely decision on an issue, both PSC representatives shall refer the issue to their higher authorities for resolution. In the meantime, the ACS PA shall continue to be implemented without interruption under the direction of the PM while the issue is being resolved by higher authorities.

4.4. For its respective ACS PA, the PSC shall be responsible for:

- 4.4.1. implementing and exercising executive-level oversight of the ACS PA;
- 4.4.2. providing policy and management direction to the PM during ACS PA execution;
- 4.4.3. approving plans to manage and control the transfer of Project Equipment to support the execution of a Project, if any, provided by either Party in accordance with Article VIII (Project Equipment) and the corresponding ACS PA;
- 4.4.4. approving plans for the disposal of jointly acquired Project Equipment in accordance with Article VII (Project Equipment) and the corresponding ACS PA;
- 4.4.5. maintaining oversight of the security aspects of ACS PAs;
- 4.4.6. if applicable, reviewing and obtaining approval from the appropriate Designated Security Authority (DSA) of a Project Security Instruction and a Classification Guide, prior to the transfer of Classified Information or Controlled Unclassified Information;
- 4.4.7. monitoring overall ACS PA implementation, including technical, cost, and schedule performance against requirements;
- 4.4.8. Monitoring Third Party sales and transfers authorized in accordance with Article XIII (Third Party Sales and Transfers); and

- 4.4.9. recommending ACS PA amendments to the PRs.
- 4.5. The PM shall be responsible for:
 - 4.5.1. Managing the cost, schedule, performance requirements, technical, security and financial aspects of the Project described in an ACS PA;
 - 4.5.2. Executing the approved Project Plan according to the corresponding ACS PA;
 - 4.5.3. Developing and submitting any required changes to the approved Project Plan for an ACS PA to the PSC for approval;
 - 4.5.4. Executing the financial aspects of the Project in accordance with Article V (Financial Provisions) and the corresponding ACS PA;
 - 4.5.5. Referring issues to the PSC that cannot be resolved by the PM;
 - 4.5.6. Developing and recommending amendments to this AEGIS Framework MOA and its Annexes to the PSC;
 - 4.5.7. Developing and implementing PSC-approved plans to manage and control the transfer of Project Equipment provided by either Party in accordance with Article VIII (Project Equipment) and the corresponding ACS PA;
 - 4.5.8. Developing and forwarding to the PSC a Project Security Instruction (PSI) and a Classification Guide (CG) for activities under this Framework MOA within three months after MOA signature and updating as appropriate the PSI and CG within three months after ACS PA signature, and implementing them upon final approval;
 - 4.5.9. Forwarding recommendations to the PSC for the addition of new Parties in accordance with Article XV (Participation of Additional Parties);
 - 4.5.10. Providing a semi-annual status report to the PSC; and

4.5.11. Appointing a Project security officer.

4.6. Any additional duties of the PM shall be detailed in the corresponding ACS PA.

4.7. If no PSC is formed for a specific ACS PA, then the PM shall be responsible for those PSC responsibilities identified in paragraph 4.4. above.

4.8. For typical ACS PAs, the Spanish MOD shall provide national representation by appointing a Deputy Project Manager, who shall report to the PM.

4.9. A Project Management Office (PMO) may be formed to facilitate management of an individual ACS PA.

4.9.1. The structure, responsibilities, and organization of the PMO shall be detailed in the corresponding ACS PA.

4.9.2. The Parties recognize that performance of work under an individual ACS PA may require Cooperative Project Personnel (CPP) of a Party to be assigned to work in the other Party's establishments. The provisions for the conduct of CPP assigned to another Party's establishments are included as Annex (a) (Cooperative Project Personnel for the (insert name of project) Project) to Annex A (Sample AEGIS Combat System Project Agreement).

ARTICLE V
FINANCIAL PROVISIONS

5.1. Detailed descriptions of the financial arrangements for a specific Project shall be included in the corresponding ACS PA. These shall include each Party's share, met with Financial and/or Non-Financial Contributions, of the total cost of the Project and, if jointly decided, a funding schedule. The Parties shall provide Financial or Non-Financial Contributions, or both, which represent an equitable share of the full costs of a Project. Each Party shall receive an equitable share of the results of a Project. Any collaborative effort under an ACS PA shall be carried out in the most economic manner, consistent with the need to control performance, technical, and program risk.

5.2. Each Party shall promptly notify the other Party if available funds are not adequate to fulfill its responsibilities under an ACS PA. If a Party notifies the other Party that it is terminating or reducing its funding for a Project, the Parties shall immediately consult with a view toward continuation on a modified basis. If continuation on a modified basis is not possible then the termination provisions of the corresponding ACS PA shall apply.

5.3. For ACS PAs managed by a Program Management Office (PMO) and/or under which funds are exchanged, the PM shall be responsible for establishing the detailed financial management procedures under which a Project shall operate. These procedures, which must accord with the national accounting and audit requirements of the Parties, shall be detailed in a Financial Management Procedures Document (FMPD) prepared by the PM and subject to the approval of the PSC. Each Party shall fund the Project in accordance with the estimated schedule of financial contributions contained in the FMPD, which shall be consistent with the corresponding ACS PA. In the case of ACS PAs involving work packages managed separately by the Parties, each Party shall be responsible for the establishment and management of the financial matters related to its work.

5.4. The Parties recognize that it may become necessary for one Party to incur contractual or other obligations for the benefit of the other Party prior to receipt of the other Party's funds. In the event that one Party incurs such obligations, the other Party shall make such funds available in such amounts and at such times as may be required by the Contract or other

obligation, and shall pay any damages and costs that may accrue from the performance of or cancellation of the Contract or other obligation in advance of the time such payments, damages, or costs are due.

5.5. All costs incurred in the performance of efforts under paragraph 3.3. of Article III (Scope of Work) are national costs that will be borne by the Party incurring them.

5.6. For ACS PAs with shared costs or that involve the establishment of a PMO with Cooperative Project Personnel (CPP) assignments, the AEGIS Combat System Project Agreement (ACS PA) shall address the financial and non-financial contributions required for PMO administration and associated support services including, but not limited to, PMO costs of travel incurred in support of Project efforts, PMO training costs, Contract award, Contract administration, office space, security services, information technology services, communications services, and supplies.

5.7. In addition to the shared costs of PMO administration and associated support services costs described in paragraph 5.6., the cost of personnel in the PMO will be borne as follows:

5.7.1. The Host Party will bear the costs of all pay and allowances of Host Party personnel in the PMO.

5.7.2. The Parent Party will bear the following Cooperative Project Personnel (CPP)-related costs:

5.7.2.1. All pay and allowances of CPP assigned to the PMO.

5.7.2.2. Transportation of CPP, CPP dependents, and their personal property to the PMO location prior to commencement of the CPP assignment in the PMO, and return transportation of the foregoing from the PMO location upon completion or termination of the CPP assignment.

5.7.2.3. Compensation for loss of, or damage to, the personal property of CPP or CPP dependents, subject to the laws and regulations of the Parent Party's government.

5.7.2.4. Preparation and shipment of remains and funeral expenses in the event of the death of CPP or CPP dependents.

5.8. For ACS PAs without shared costs that involve the establishment of one or more multinational offices with CPP assignments, the Parties shall bear costs related to multilateral offices established under such ACS PAs as follows.

5.8.1. The Host Party will bear the following costs:

5.8.1.1. All pay and allowances of Host Party personnel assigned to the multinational office.

5.8.1.2. Multilateral office costs including, but not limited to, CPP assignment-related administrative and support services costs such as CPP costs of travel incurred in support of Project efforts, CPP-related training costs, Contract award, Contract administration, office space, security services, information technology services, communications services, and supplies.

5.8.2. The Parent Party will bear the following costs:

5.8.2.1. All pay and allowances of CPP assigned to the multinational office.

5.8.2.2. Transportation of CPP, CPP dependents, and their personal property to the PMO location prior to commencement of the CPP assignment at a location specified by the Host Party, and return transportation of the foregoing from this location upon completion or termination of the CPP assignment.

5.8.2.3. Compensation for loss of, or damage to, the personal property of CPP or CPP dependents, subject to the laws and regulations of the Parent Party's government.

5.8.2.4. Preparation and shipment of remains and funeral expenses in the event of the death of CPP or CPP dependents.

ARTICLE VI
CONTRACTING PROVISIONS

6.1. If either Party determines that Contracting is necessary to fulfill that Party's obligations under an ACS PA, that Party shall contract in accordance with its respective national laws, regulations and procedures. Contracting provisions shall be documented in the ACS PA.

6.2. When one Party individually Contracts to perform a task under an ACS PA, it shall be solely responsible for its own Contracting, and the other Party shall not be subject to any liability arising from such Contracts without its prior written consent.

6.3. For all Contracting activities performed by either Party under an ACS PA, the Parties shall, upon request, be provided a copy of all statements of work prior to the development of solicitations to ensure they are consistent with the provisions of this AEGIS Framework MOA and the applicable ACS PA.

6.4. As specified in the corresponding ACS PA, the PM may make use of a Party's Contracting Agency in the event that Contracting on behalf of the other Party or both Parties is required to implement the Project. The Contracting Agency so used shall place Contracts in accordance with its respective national laws, regulations, and procedures, and shall seek such waivers and deviations its procedures permit and as are deemed necessary to implement the provisions of this AEGIS Framework MOA. The Contracting Party's Contracting Officer shall be the exclusive source for providing contractual direction and instructions to the Contractors.

6.5. Each Party's Contracting Agency shall insert into its prospective Contracts (and require its Contractors to insert in subcontracts) suitable provisions to satisfy the requirements of this AEGIS Framework MOA including, Article IX (Disclosure and Use of Project Information), Article X (Controlled Unclassified Information), Article XII (Security) and Article XIII (Third Party Sales and Transfers) of this AEGIS Framework MOA. Each Party's Contracting Agency shall negotiate to obtain the rights to use and disclose Project Information required by Article IX (Disclosure and Use of Project Information). During the Contracting process, each Party shall also advise prospective Contractors of their obligation to immediately notify their respective Party's Contracting Agency, before Contract award, if they are subject to any license or agreement that shall restrict

their government's freedom to disclose information or permit its use, and to employ their best efforts not to enter into any new agreement or arrangement that will result in restrictions.

6.6. In the event a Party's Contracting Agency is unable to secure adequate rights to use and disclose Project Information as required by Article IX (Disclosure and Use of Project Information), or is notified by Contractors or prospective Contractors of any restrictions on the disclosure and use of Project Information, that Party's Contracting Agency shall refer the matter to the PM who shall submit it to the PSC for resolution.

6.7. The PM shall promptly advise the PSC and PRs of any anticipated or actual cost growth, schedule changes, delay, or performance problems of any Contractor for which its Contracting Agency is responsible.

6.8. Upon agreement, consistent with Article II (Objectives) and the corresponding ACS PA, a Party may contract for the unique national requirements of the other Party.

ARTICLE VII
WORK SHARING

7.1. No requirement shall be imposed by either Party for work sharing or other industrial or commercial compensation in connection with this AEGIS Framework MOA or its ACS PAs that is not in accordance with this AEGIS Framework MOA and its ACS PAs.

ARTICLE VIII
PROJECT EQUIPMENT

8.1. Each Party may provide Project Equipment identified as being necessary for executing an ACS PA to the other Party. Project Equipment shall remain the property of the providing Party. A list of all Project Equipment provided by one Party to another Party shall be developed and maintained by the PM, approved by the PSC as required by the ACS PA, in accordance with the corresponding ACS PA prior to such transfers.

8.2. The receiving Party shall maintain any such Project Equipment in good order, repair, and operable condition. Unless the providing Party has authorized the Project Equipment to be expended or otherwise consumed without reimbursement to the providing Party, the receiving Party shall return the Project Equipment to the providing Party 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 Party shall return the Project Equipment to the providing Party (unless otherwise specified in writing by the providing Party) and pay its replacement value as computed pursuant to the providing Party's national laws and regulations. If the Project Equipment is lost while in the custody of the receiving Party, the receiving Party shall issue a certificate of loss to the providing Party and pay the replacement value as computed pursuant to the providing Party's national laws and regulations. If known at the time of entry into force, the replacement value of the Project Equipment shall be specified in the corresponding ACS PA.

8.3. The providing Party shall deliver Project Equipment to the receiving Party at a mutually agreed location. Possession of the Project Equipment shall pass from the providing Party to the receiving Party at the time of receipt of the Project Equipment. Any further transportation is the responsibility of the receiving Party.

8.4. All Project Equipment that is transferred shall be used by the receiving Party only for the purposes of carrying out ACS PAs, unless otherwise consented to in writing by the providing Party. In addition, in accordance with Article XIII (Third Party Sales and Transfers) Project Equipment shall not be re-transferred to a Third Party without the prior written consent of the providing Party.

8.5. Project Equipment transferred to one Party under an ACS PA shall be returned to the providing Party prior to the termination or expiration of the ACS PA.

8.6. Any Project Equipment that is jointly acquired on behalf of both Parties for use under an ACS PA shall be disposed of during the ACS PA Project or when the ACS PA Project ceases.

8.7. Disposal of jointly acquired equipment may include a transfer of the interest of one Party in such Project Equipment to the other Party, or the sale of such equipment to a Third Party in accordance with Article XIII (Third Party Sales and Transfers) of this AEGIS Framework MOA or a corresponding ACS PA. The Parties shall share the consideration from jointly acquired Project Equipment transferred or sold to a Third Party in the same ratio as costs are shared under the applicable ACS PA.

ARTICLE IX
DISCLOSURE AND USE OF PROJECT INFORMATION

9.1. General

Both Parties recognize that successful collaboration may depend on full and prompt exchange of information necessary for carrying out an ACS PA under this AEGIS Framework MOA. In such case, the Parties intend to acquire sufficient Project Information and rights to use such information to perform the effort under the ACS PA. The nature and amount of Project Information to be acquired and disclosed to the Parties shall be consistent with the objectives stated in Article II (Objectives), Article III (Scope of Work), Article VI (Contracting Provisions), the specific requirements set forth in the corresponding ACS PA, and such acquisition and disclosure will be subject to the Parties' national laws, policies, and procedures. While this Article sets forth Project Information use and disclosure rights generally applicable to ACS PAs, an ACS PA may provide for lesser use and disclosure rights for that ACS PA's Project Foreground Information and Project Background Information.

9.2. Government Project Foreground Information

- 9.2.1. Disclosure: Project Foreground Information generated by a Party's military or civilian employees shall be disclosed without charge to both Parties.
- 9.2.2. Use: Each Party may use all Government Project Foreground Information without charge for Defense Purposes. The Party generating Government Project Foreground Information shall also retain its rights of use thereto. Any sale or other transfer to a Third Party, shall be subject to the provisions of Article XIII (Third Party Sales and Transfers) of this AEGIS Framework MOA.

9.3. Government Project Background Information

- 9.3.1. Disclosure: Each Party, upon request, shall disclose to the other Party any relevant Government Project Background Information generated by its military or civilian employees, provided that:

- 9.3.1.1. such Project Background Information is necessary to or useful in the Project, with the Party in possession of the information determining whether it is "necessary to" or "useful in" the Project;
- 9.3.1.2. such Project Background Information may 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 Party.

9.3.2. Use: Government Project Background Information disclosed by one Party to the other may be used without charge by the other Party for Project Purposes only; however, the furnishing Party shall 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, shall be disclosed without charge to both Parties.
- 9.4.2. Use: Each Party may use without charge for its Defense Purposes all Contractor Project Foreground Information generated and delivered by Contractors of the other Party. The Party whose Contractors generate and deliver Contractor Project Foreground Information shall also retain rights of use thereto in accordance with the applicable Contract(s). Any sale or other transfer to a Third Party of Contractor Project Foreground Information, shall be subject to the provisions of Article XIII (Third Party Sales and Transfers) of this AEGIS Framework MOA.

9.5. Contractor Project Background Information

- 9.5.1. Disclosure: Any Project Background Information, (including information subject to proprietary rights) generated and delivered by Contractors shall be made available to the other Party provided the following conditions are met:

- 9.5.1.1. such Project Background Information is necessary to or useful in the Project, with the Party 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 Party.
- 9.5.2. Use: Project Background Information furnished by one Party's Contractors and disclosed to the other Party may be used without charge by the other Party for Project Purposes only, and may be subject to further restrictions by holders of proprietary rights; however, the furnishing Party shall retain all its rights with respect to such Project Background Information.
- 9.6. Alternative Uses of Project Information
- 9.6.1. Any Project Background Information provided by one Party shall be used by the other Party only for the purposes of a particular ACS PA, unless otherwise consented to in writing by the providing Party.
 - 9.6.2. The prior written consent of the U.S. DoD shall be required for the use of Project Foreground Information by the Spanish MOD for purposes other than those provided for in a particular ACS PA.
- 9.7. Proprietary Project Information
- 9.7.1. All Project Information subject to proprietary interests shall be identified and marked, and it shall be handled as Controlled Unclassified Information.
 - 9.7.2. The provisions of the NATO Agreement on the Communication of Technical Information for Defence Purposes, done 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, shall apply to proprietary Project Information related to this AEGIS Framework MOA and ACS PAs under it.

9.8. Patents

- 9.8.1. Where a Party owns title to a Project Invention, or has the right to receive title to a Project Invention, that Party shall consult with the other Party regarding the filing of a Patent application for such Project Invention. The Party that has or receives title to such Project Invention shall, in other countries, file, cause to be filed, or provide the other Party with the opportunity to file on behalf of the Party holding title, or its Contractors, as appropriate, Patent applications covering that Project Invention. If a Party having filed or caused to be filed a Patent application decides to stop prosecution of the application, that Party shall notify the other Party of that decision and permit the other Party to continue the prosecution.
- 9.8.2. The other Party shall be furnished with copies of Patent applications filed and Patents granted with regard to Project Inventions.
- 9.8.3. The other Party shall acquire a non-exclusive, irrevocable, royalty-free license to practice or have practiced, by or on behalf of the Party, throughout the world for Defense Purposes, any Project Invention.
- 9.8.4. Patent applications to be filed under a particular ACS PA that contain Classified Information, shall be protected and safeguarded in accordance with the requirements contained in the NATO Agreement for the Mutual Safeguarding of Secrecy of Inventions Relating to Defense and for Which Applications for Patents Have Been Made, done in Paris on 21 September 1960, and its Implementing Procedures.

9.8.5. Each Party shall notify the other Party of any Patent infringement claims made in its territory arising in the course of work performed under the Project. Insofar as possible, the other Party shall provide information available to it that may assist in defending the claim. Each Party shall be responsible for handling all Patent infringement claims made in its territory, and shall consult with the other Party during the handling, and prior to any settlement, of such claims. The Parties shall 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 ACS PA, or as set forth in the ACS PA. The Parties shall, 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.

ARTICLE X
CONTROLLED UNCLASSIFIED INFORMATION

10.1. Except as otherwise provided in this AEGIS Framework MOA or in an ACS PA or as authorized in writing by the originating Party, Controlled Unclassified Information provided or generated pursuant to this AEGIS Framework MOA and ACS PAs under it shall be controlled as follows:

- 10.1.1. Such information shall be used only for the purposes authorized for use of Project Information as specified in Article IX (Disclosure and Use of Project Information).
- 10.1.2. Access to such information shall be limited to personnel whose access is necessary for the permitted use under subparagraph 10.1.1., and shall be subject to the provisions of Article XIII (Third Party Sales and Transfers).
- 10.1.3. Each Party shall take all lawful steps, which may include national classification, available to it to keep such information free from further disclosure (including requests under any legislative provisions), except as provided in subparagraph 10.1.2., unless the originating Party 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 shall be given to the originating Party.

10.2. To assist in providing the appropriate controls, the originating Party shall ensure that Controlled Unclassified Information is appropriately marked. The Parties shall decide, in advance and in writing, on the markings to be placed on the Controlled Unclassified Information. The appropriate markings shall be defined in ACS PAs' corresponding Project Security Instructions.

10.3. Controlled Unclassified Information provided or generated pursuant to this AEGIS Framework MOA or ACS PAs under it shall be handled in a manner that ensures control as provided for in paragraph 10.1.

10.4. Prior to authorizing the release of Controlled Unclassified Information to Contractors, the Parties shall ensure the Contractors are legally bound to control such information in accordance with the provisions of this Article.

ARTICLE XI
VISITS TO ESTABLISHMENTS

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

11.2. All visiting personnel shall be required to comply with security regulations of the hosting Party, and visits shall be conducted in accordance with the MOA Project Security Instruction. Any information disclosed or made available to visitors shall be treated as if supplied to the Party sponsoring the visiting personnel, and shall be subject to the provisions of this AEGIS Framework MOA and corresponding ACS PAs.

11.3. Requests for visits by personnel of one Party to a facility of the other Party shall be coordinated through official channels, and shall conform with the established visit procedures of the hosting country. Requests for visits shall bear the name of the corresponding ACS PA.

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

ARTICLE XII
SECURITY

12.1. All Classified Information provided or generated pursuant to this AEGIS Framework MOA or ACS PAs under it shall be stored, handled, transmitted, and safeguarded in accordance with the General Security of Military Information Agreement between Spain and the United States of America, dated 12 March 1984, and including the Industrial Security Annex thereto, of 12 March 1984.

12.2. Classified Information shall be transferred only through official government-to-government channels or through channels approved by the Designated Security Authorities (DSAs) of the Parties. Such Classified Information shall bear the level of classification, denote the country of origin, the conditions of release, and the fact that the information relates to this AEGIS Framework MOA and the corresponding ACS PA.

12.3. Each Party shall take all lawful steps available to it to ensure that Classified Information provided or generated pursuant to this AEGIS Framework MOA and corresponding ACS PAs is protected from further disclosure, except as permitted by paragraph 12.8., unless the other Party consents to such disclosure. Accordingly, each Party shall ensure that:

12.3.1. The recipient shall not release the Classified Information to any government, national, organization, or other entity of a Third Party without the prior written consent of the originating Party in accordance with the procedures set forth in Article XIII (Third Party Sales and Transfers).

12.3.2. The recipient shall not use the Classified Information for other than the purposes provided for in this AEGIS Framework MOA and corresponding ACS PAs.

12.3.3. The recipient shall comply with any distribution and access restrictions on information that is provided under this AEGIS Framework MOA and corresponding ACS PAs.

12.4. The Parties shall investigate all cases in which it is known or where there are grounds for suspecting that Classified

Information provided or generated pursuant to this AEGIS Framework MOA and corresponding ACS PAs has been lost or disclosed to unauthorized persons. Each Party also shall promptly and fully inform the other Party 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. The PM shall prepare a Project Security Instruction (PSI) and a Classification Guide (CG) for this Aegis Framework MOA and update it as necessary for relevant ACS PAs. The PSI and the CG shall describe the methods by which Project Information shall be classified, marked, used, transmitted, and safeguarded. The PSI and CG shall be developed by the PM within three months after the Aegis Framework MOA and updated within three months after each relevant ACS PA enters into force. They shall be reviewed and forwarded to the Parties' DSAs for approval and shall be applicable to all government and Contractor personnel participating in the Project. The CG shall be subject to regular review and revision with the aim of downgrading the classification whenever this is appropriate. The PSI and the CG Classification Guide shall be approved by the appropriate DSA prior to the transfer of any Classified Information or Controlled Unclassified Information.

12.6. The DSA of the Party in which a classified Contract is awarded shall assume responsibility for administering within its territory security measures for the protection of the Classified Information, in accordance with its laws and regulations. Prior to the release to a Contractor, prospective Contractor, or Subcontractor of any Classified Information received under this AEGIS Framework MOA and corresponding ACS PAs, the DSAs shall:

- 12.6.1. Ensure that such Contractor, prospective Contractor or subcontractor and their facility(ies) have the capability to protect the Classified Information adequately.
- 12.6.2. Grant a security clearance to the facility(ies), if appropriate.
- 12.6.3. Grant a security clearance for all personnel whose duties require access to Classified Information, if appropriate.
- 12.6.4. Ensure that all persons having access to the Classified Information are informed of their responsibilities to protect the Classified

Information in accordance with national security laws and regulations, and provisions of this AEGIS Framework MOA and corresponding ACS PAs.

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

12.6.6. Ensure that access to the Classified Information is limited to those persons who have a need-to-know for purposes of the AEGIS Framework MOA and corresponding ACS PAs.

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 provided or generated pursuant to this AEGIS Framework MOA and corresponding ACS PAs only when enforceable measures are in effect to ensure that nationals or other entities of a Third Party shall not have access to Classified Information. If enforceable measures are not in effect to preclude access by nationals or other entities of a Third Party, the other Party shall be consulted for approval prior to permitting such access.

12.8. For any facility wherein Classified Information is to be used, the responsible Party or Contractor shall approve the appointment of a person or persons to exercise effectively the responsibilities for safeguarding at such facility the information pertaining to this AEGIS Framework MOA. These officials shall be responsible for limiting access to Classified Information involved in this AEGIS Framework MOA and corresponding ACS PAs to those persons who have been properly approved for access and have a need-to-know.

12.9. Each Party shall ensure that access to the Classified Information is limited to those persons who possess requisite security clearances and have a specific need for access to the Classified Information in order to participate in the Project.

12.10. Information provided or generated pursuant to an ACS PA under this AEGIS Framework MOA may be classified as high as Secret. The existence of this AEGIS Framework MOA is Unclassified and the contents are Unclassified.

ARTICLE XIII
THIRD PARTY SALES AND TRANSFERS

13.1. In recognition of the U.S. DOD's substantial prior investment in the AEGIS Combat System, the Parties agree to the following: the U.S. DOD shall retain the right to sell, transfer title to, disclose, or transfer possession of Project Foreground Information, jointly acquired Project Equipment, or any item produced either wholly or in part from Project Foreground Information to Third Parties.

13.2. The MOD of Spain shall not sell, transfer title to, disclose, or transfer possession of Project Foreground Information, jointly acquired Project Equipment, or any item produced either wholly or in part from Project Foreground Information to any Third Party without the prior written consent of the U.S. Government. Furthermore, the Spanish MOD shall not permit any such sale, disclosure, or transfer by others, including the owner of the item, without the prior written consent of the U.S. Government. The Spanish MOD recognizes that such sales, disclosures, or other transfers shall not be authorized by the U.S. Government unless the government of the intended recipient agrees in writing with the U.S. that it shall:

13.2.1. not retransfer, or permit the further retransfer of, any equipment or information provided; and

13.2.2. use, or permit the use of, the equipment or information provided only for the purposes specified by the Parties.

13.3. A Party shall not sell, transfer title to, disclose, or transfer possession of Project Background Information or Project Equipment provided by the other Party to any Third Party without the prior written consent of the Party that provided such equipment or information. The providing Party shall be solely responsible for authorizing such transfers and, as applicable, specifying the method and conditions for implementing such transfers.

13.4. U.S. Government consent for Third Party sales and transfers of Project Foreground Information, jointly acquired Project Equipment, or any item produced either wholly or in part from Project Foreground Information shall be subject to its foreign policy, national security considerations, and national

laws, regulations, and policies. The U.S. Government's prior written consent for a sale or transfer by the Spanish MOD to a Third Party shall take into account the U.S. Government's willingness to sell or transfer such equipment or information to the same Third Party.

ARTICLE XIV
LIABILITY AND CLAIMS

14.1. Claims against either Party or its personnel shall 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 the Parties assigned to duty within their government's Defense Department or Ministry shall be deemed for the purpose of Article VIII of NATO SOFA to be members of a civilian component within the meaning of Article I of NATO SOFA while present in the territory of the other Party for the purpose of this AEGIS Framework MOA or any ACS PAs under it.

14.2. Claims arising under or related to any Contract awarded under an ACS PA shall be resolved in accordance with the provisions of the Contract.

14.3. Employees and agents of Contractors shall not be considered to be a civilian component for the purpose of paragraph 14.1. and NATO SOFA shall not apply to them.

ARTICLE XV
PARTICIPATION OF ADDITIONAL PARTIES

15.1. It is recognized that other national defense organizations may wish to join this AEGIS Framework MOA and subsequently join corresponding ACS PAs.

15.2. Mutual consent of the Parties shall be required to conduct discussions with potential additional Parties. The Parties shall discuss the arrangements under which another Party might join, including the furnishing of releasable Project Information for evaluation prior to joining. If the disclosure of Project Information is necessary to conduct discussions, such disclosure shall be in accordance with Article IX (Disclosure and Use of Project Information), Article X (Controlled Unclassified Information) and Article XIII (Third Party Sales and Transfers).

15.3. The Parties shall jointly formulate the provisions under which additional Parties might join. The addition of new Parties shall require amendment of this AEGIS Framework MOA and subsequent amendment of relevant ACS PAs by the Parties.

ARTICLE XVI
CUSTOMS DUTIES, TAXES, AND SIMILAR CHARGES

16.1. Customs duties, import and export taxes, and similar charges shall be administered in accordance with each Party's respective laws and regulations. Insofar as existing national laws and regulations permit, the Parties shall endeavor to ensure that such readily identifiable duties, taxes and similar charges, as well as quantitative or other restrictions on imports and exports, are not imposed in connection with work carried out under this AEGIS Framework MOA and corresponding ACS PAs.

16.2. Each Party shall use its best efforts to ensure that customs duties, import and export taxes, and similar charges are administered in a manner favorable to the efficient and economical conduct of the work. If any such duties, taxes, or similar charges are levied, the Party in whose country they are levied shall bear such costs.

ARTICLE XVII
SETTLEMENT OF DISPUTES

17.1. Disputes between the Parties arising under or relating to this AEGIS Framework MOA and corresponding ACS PAs shall be resolved only by consultation between the Parties and shall not be referred to a national court, an international tribunal, or to any other person or entity for settlement.

ARTICLE XVIII
LANGUAGE

18.1. The working language for the AEGIS Framework MOA and corresponding ACS PAs shall be the English language.

18.2. All data and information generated under this AEGIS Framework MOA and its implementing Contracts and provided by one Party to the other Party shall be furnished in the English language.

ARTICLE XIX
AMENDMENT, TERMINATION, ENTRY INTO FORCE, AND DURATION

19.1. All activities of the Parties under this AEGIS Framework MOA and ACS PAs under it shall be carried out in accordance with their national laws. The obligations of the Parties shall be subject to the availability of funds for such purposes.

19.2. In the event of a conflict between an Article of this AEGIS Framework MOA and any Annex to this AEGIS Framework MOA, the Article shall control.

19.3. Except as otherwise provided, this AEGIS Framework MOA may be amended by the mutual written consent of the Parties.

19.4. This AEGIS Framework MOA may be terminated at any time upon the written consent of the Parties. In the event both Parties consent to terminate this AEGIS Framework MOA, the Parties shall consult prior to the date of termination to ensure termination on the most economical and equitable terms. ACS PA termination will be in accordance with the provisions of this AEGIS Framework MOA and the provisions in the relevant ACS PA.

19.5. Either Party may terminate this AEGIS Framework MOA upon 180 days written notification of its intent to terminate to the other Party. Such notice shall be the subject of immediate consultation by the PRs to decide upon the appropriate course of action to conclude the activities under this AEGIS Framework MOA. In the event of such termination, the following rules apply:

19.5.1. The terminating Party shall continue participation in all ACS PAs, financial or otherwise, up to the effective date of termination.

19.5.2. Except as to Contracts awarded on behalf of both Parties, each Party shall be responsible for its own ACS PA Project-related costs associated with termination of ACS PA Projects. For Contracts awarded on behalf of both Parties, the terminating Party shall pay all Contract modification or termination costs that would not otherwise have been incurred but for the decision to terminate; in no event, however, shall a terminating Party's total financial contribution,

including Contract termination costs, exceed that Party's Total Cost Ceiling for financial contributions as established in the relevant ACS PA.

19.5.3. All Project Information and rights therein received under the provisions of this AEGIS Framework MOA and corresponding ACS PAs prior to the termination shall be retained by the Parties, subject to the provisions of this AEGIS Framework MOA and corresponding ACS PAs.

19.5.4. If requested by the other Party, the terminating Party may, at its discretion, continue to administer Project Contract(s) which it awarded on behalf of the other Party on a reimbursable basis.

19.6. The respective rights and obligations of the Parties regarding Article VIII (Project Equipment), Article IX (Disclosure and Use of Project Information), Article X (Controlled Unclassified Information), Article XII (Security), Article XIII (Third Party Sales and Transfers), and Article XIV (Liability and Claims), Article XVII (Settlement of Disputes) and this Article XIX (Amendment, Termination, Entry into Force, and Duration) shall continue to apply notwithstanding termination or expiration of this AEGIS Framework MOA.

19.7. This AEGIS Framework MOA, which consists of nineteen (19) Articles and one (1) Annex, shall enter into force upon signature by both Parties and shall remain in force for 10 years. It may be extended by written agreement of the Parties.

IN WITNESS WHEREOF, the undersigned, being duly authorized by their governments, have signed this AEGIS Framework MOA.

DONE, in duplicate, in the English language.

FOR THE DEPARTMENT OF DEFENSE
OF THE UNITED STATES OF
AMERICA:



Signature

John J. Young, Jr.

Name

Assistant Secretary of the
Navy (Research, Development,
and Acquisition)

Title

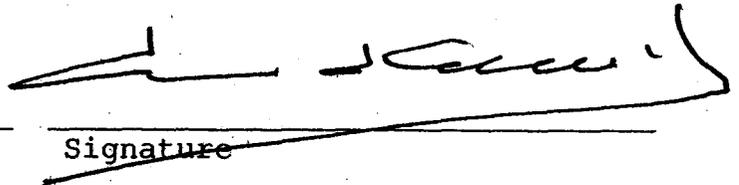
28 FEBRUARY 2002

Date

Ferrol, Spain

Location

FOR THE MINISTER OF DEFENSE OF
THE KINGDOM OF SPAIN:



Signature

Juan J. Gonzalez-Irún Sanchez

Name

Almirante Jefe del Apoyo
Logistico

Title

28 FEBRERO 2002

Date

28 Ferrol, España

Location

ANNEX A

SAMPLE AEGIS COMBAT SYSTEM PROJECT AGREEMENT

ANNEX ___ TO THE
RESEARCH, DEVELOPMENT, TEST, EVALUATION, PRODUCTION, AND
LIFE CYCLE SUPPORT ACTIVITIES FOR
TECHNOLOGIES AND SYSTEMS
FOR AEGIS-EQUIPPED SHIPS
MEMORANDUM OF AGREEMENT

DATED

AEGIS COMBAT SYSTEM PROJECT AGREEMENT NO. _____

BETWEEN

THE DEPARTMENT OF DEFENSE OF THE UNITED STATES OF AMERICA

AND

THE MINISTER OF DEFENSE OF THE KINGDOM OF SPAIN

FOR

(FULL DESIGNATION OF THE PROJECT)

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ARTICLE ONE: INTRODUCTION

This AEGIS Combat System Project Agreement (ACS PA) hereby establishes the _____ (**insert name of project**) _____ as a Project in accordance with the Memorandum of Agreement between the Department of Defense of the United States of America (U.S. DOD) and the Minister of Defense of the Kingdom of Spain (SP MOD) for the Research, Development, Test, Evaluation, Production, and Life Cycle Support Activities for Technologies and Systems for AEGIS-Equipped Ships.

ARTICLE TWO: DEFINITION OF TERMS AND ABBREVIATIONS

(Define only those terms used in this ACS PA that have not been defined in the AEGIS Framework MOA).

ARTICLE THREE: OBJECTIVES

3.1. The objectives of this _____ Project are:

(For example:

3.1.1. The development of _____
_____.

3.1.2. The improvement of _____
_____.)

ARTICLE FOUR: SCOPE OF WORK

4.1. The following work shall be undertaken under this ACS PA. (In addition to the format below, identify any tasks which may not permit the standard use and disclosure of Project Information)

(For Example:

4.1.1. Develop _____

4.1.2. Evaluate _____

4.1.3. Design, fabricate and test _____
_____)

ARTICLE FIVE: SHARING AND BREAKDOWN OF WORK

5.1. The sharing of work shall be as follows: (list responsibilities, tasks and phases.)

(For example:

5.1.1. The U.S. DOD shall _____

5.1.2. The SP MOD shall _____

5.1.3. The SP MOD and U.S. DOD shall jointly

_____)

ARTICLE SIX: SCHEDULE OF TASKS

(OPTIONAL)

(When the tasks covered under this Project may be performed using multiple phases, requiring milestones or decision points).

6.1. The project shall proceed according to the following phases and schedule:

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

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

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

(Milestone 2) (e.g. Decision to proceed to phase 3)

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

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

(Add as many phases as necessary)

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

ARTICLE SEVEN: MANAGEMENT

7.1. **(Optional)** Spanish MOD PSC Member:

Spain PSC Member Title/Position
Organization
Address

7.2. **(Optional)** U.S. DOD PSC Member:

U.S. PSC Member Title/Position
Organization
Address

7.3. Project Manager:

PM Title/Position
Organization
Address

7.4. Deputy Project Manager:

Deputy PM Title/Position
Organization
Address

7.5. **(Optional Paragraph)** The Project Management Office (PMO) shall be established in _____ to manage the Project. The Department of Defense shall appoint the PM, who, as head of the PMO, shall be responsible for implementing this ACS PA and for day-to-day management of the Project.

7.6. **(Optional Paragraph, required if paragraph 7.5. is used)** The responsibilities of personnel assigned to the PMO are detailed in Annex (a) to this ACS PA.

7.7. **(Optional Paragraph, use for ACS PAs where work efforts will be executed in "work packages" and managed nationally).** Project Offices shall be established in (name organization and location in Spain) and in (name organization and location in the U.S.). The Program Executive Officer for Theater Surface Combatants shall appoint the U.S. PM, and the Spanish MOD shall appoint the Spanish

PM, both of whom shall be responsible for implementing this ACS PA and for carrying out the Project.

7.8. (Optional Paragraph, use for ACS PAs when paragraph 7.7. is used.) The assignment of management responsibilities for each project task is set forth below:

TASK	U.S.	Project Manager Spain
e.g. Develop test plan		
e.g. Build test articles		

ARTICLE EIGHT: FINANCIAL ARRANGEMENTS

ALTERNATIVE 1:

Use this alternative for Projects that will be jointly funded and administered by a PMO staffed by DoD personnel and Cooperative Project Personnel (CPP). Note that the provisions of paragraphs 5.6, 5.7, and 5.8 of the AEGIS Framework MOA apply to this alternative.

8.1. The Parties agree that the cost of performance of the work under this ACS PA shall not exceed ___ Fiscal Year 20XX U.S. dollars. The U.S. dollar shall be the reference currency and the Project Fiscal Year shall be the U.S. Fiscal Year.

8.1.1. The U.S. DOD share of the work shall not cost more than X US dollars: _____.

8.1.2. The SP MOD share of the work shall not cost more than Y US dollars: _____.

8.2. Cooperative efforts of the Parties over and above the jointly agreed work set forth in the Scope of Work and Sharing and Breakdown of Work and Financial Arrangements Articles shall be subject to amendment to this ACS PA or signature of a new ACS PA.

8.3. Each Party shall contribute its equitable share of the full Financial Costs and Non-financial Costs of the Project, including overhead costs, administrative costs, and costs of claims, and shall receive a equitable share of the results of the Project.

8.4. Each Party shall bear the costs it incurs for performing, managing, and administering its activities under this ACS PA and all such costs shall be included as part of each Party's contribution to the Project. These costs include salaries, travel

and per diem for its Project personnel, as well as any Contract costs.

8.5. Participation in the Project shall include both Financial and Non-financial Contributions to directly support Project efforts. Values have been mutually agreed to for Project Non-financial Contributions.

8.6. The following costs shall be borne entirely by the Party incurring the costs or on whose behalf the costs are incurred:

8.6.1. Costs associated with national representation at meetings by non-PMO members.

8.6.2. Costs associated with any unique national requirements identified by a Party.

8.6.3. Any other costs not expressly stated as shared costs or any costs that are outside the scope of this ACS PA.

8.7. A Party shall promptly notify the other Party if available funds are not adequate to fulfill its obligations under this ACS PA. If a Party notifies the other Party that it is terminating or reducing its funding for this Project, both Parties shall immediately consult with a view toward continuation on a modified basis.

ALTERNATIVE 2:

Use this alternative for Projects that will not be jointly funded and not administered by a PMO staffed by DoD personnel and Cooperative Project Personnel (CPP).

8.1. Each Party shall contribute its equitable share of the full Financial Costs and Non-financial Costs of the Project, including overhead costs, administrative costs, and costs of claims. The assignment of work represents a sharing of work to be performed under the Project, and each Party shall receive a equitable share of the results of the Project.

8.2. Each Party shall fund the full extent of its participation in this Project. The Parties estimate that the performance of the obligations under this Agreement shall not cost more than a Financial Cost Ceiling of _____ Fiscal Year 20xx U.S. dollars. The U.S. dollar shall be the reference currency for the Project and the Project fiscal year shall be the U.S. fiscal year.

8.3. The full Financial Costs and Non-financial Costs of the Project, as identified in this Article and reflected in an Annex (typically, Annex(b) (Financial Matters)) to of this ACS PA, shall be shared according to the following percentages:

Party	Percentage Share
_____	_____
_____	_____

8.4. The Parties shall use their best efforts to perform, or to have performed, the work specified in Article III (Scope of Work) and fulfill all the obligations under this Agreement within the Financial Cost Ceiling specified in paragraph 8.1.

8.5. Each Party shall bear the full Financial Costs and Non-financial Costs it incurs for performing, managing, and administering its activities under this Agreement and all such costs shall be included as part of each Party's contributions to the Project. These costs include financial and non-financial contributions (e.g., salaries, travel, and per diem costs for each Party's Project personnel), as well as any Contract costs. Values have been mutually agreed to for Project non-financial contributions. Both financial and non-financial contributions are detailed in Annex (b) (Financial Matters).

8.6. Cooperative efforts of the Parties over and above the jointly agreed work set forth in Article III (Scope of Work) shall be subject to future agreement by the Parties.

8.7. The following costs shall be borne entirely by the Party incurring the costs:

8.7.1. Costs associated with any unique national requirements identified by a Party.

8.7.2. Any other costs outside the scope of this Agreement.

8.8. A Party shall promptly notify the other Party if available funds are not adequate to fulfill its obligations under this Agreement. If a Party notifies the other Party that it is terminating or reducing its funding for this Project, both Parties

shall immediately consult with a view toward continuation on a modified basis.

ARTICLE NINE: CONTRACTING
(OPTIONAL)

9.1. The _____ (acting through the _____) shall be responsible for Contracting under this ACS PA in accordance with its national laws, regulations, and procedures and with Article VI of the AEGIS Framework MOA.

ARTICLE TEN: CLASSIFICATION

10.1. Only one of the three following possibilities must be selected:

Only Unclassified Information shall be exchanged under this ACS PA; or

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

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

10.2. The existence of this Agreement is (Unclassified, Confidential, or Secret) and the contents are (Unclassified, Confidential, or Secret).

ARTICLE ELEVEN: PRINCIPAL ORGANIZATIONS INVOLVED

(List government laboratories, universities, industry and other organizations.)

ARTICLE TWELVE: INVENTORY OF PROJECT EQUIPMENT EXCHANGES
(OPTIONAL)

Nomenclature	Part No./ Model No.	Replacement Value	Receiving Party	Date Transferred
		25		

ARTICLE THIRTEEN: USE AND DISCLOSURE OF PROJECT INFORMATION

(IDENTIFY ANY USE AND DISCLOSURE RESTRICTIONS FOR
PROJECT INFORMATION UNDER THE PA)

ARTICLE FOURTEEN: ENTRY INTO FORCE, DURATION AND TERMINATION

This _____ ACS PA, a
Project under the the Memorandum of Agreement between the
Department of Defense of the United States of America, the

Minister of Defense of the Kingdom of Spain for Research, Development, Test, Evaluation, Production, and Life Cycle Support Activities for Technologies and Systems for AEGIS-Equipped Ships shall enter into force upon signature by the Parties, and shall remain in force for _____ years unless terminated by either Party. It may be extended by written agreement of the Parties.

IN WITNESS WHEREOF, the undersigned, being duly authorized by their governments, have signed this Agreement.

DONE, in duplicate, in the English language.

FOR THE DEPARTMENT OF DEFENSE
OF THE UNITED STATES OF
AMERICA

FOR THE MINISTER OF DEFENSE OF
THE KINGDOM OF SPAIN

Signature

Signature

~~SAMPLE ONLY.~~

Name

Name

Title

Title

~~DO NOT SIGN.~~

Date

Date

Location

Location

ANNEX (a) TO ANNEX A
COOPERATIVE PROJECT PERSONNEL FOR THE (insert name of the
project) PROJECT

1.0. Purpose and Scope

1.1. This Annex establishes the provisions that shall govern the conduct of Cooperative Project Personnel (CPP). The Parent Party shall assign military members or civilian employees to the Host Party Project Management Office in accordance with the AEGIS Combat System Project Agreement (ACS PA) and this Annex. CPP must be able to perform all the responsibilities assigned to them under an ACS PA and the AEGIS Framework Memorandum of Agreement (MOA). Commencement of assignments shall be subject to any requirements that may be imposed by the Host Party or its government regarding acceptance of CPP, such as, but not limited to, visas and visit request documentation. The Project Manager (PM) shall determine the length of tour for the positions at the time of initial assignment.

1.2. CPP shall be assigned to the Host Party's project office for Project work and shall report to the Host Party PM regarding that work. The PMs shall be responsible for the creation of a document describing the duties of each CPP position, which shall be subject to approval by each other. CPP shall not act as liaison officers on behalf of the Parent Party on non-Project work unless authorized in writing by the Host Party upon the request of the Parent Party.

1.3. CPP shall not be assigned to command or other positions that would require them to exercise responsibilities that are reserved by law or regulation to an officer or employee of the Host Party's government.

2.0. Security

2.1. The PMs shall establish the maximum level of security clearance required, if any, to permit CPP to have access to Classified Information and facilities in which Classified Information is used in accordance with the ACS PA Project Security Instruction (PSI) and Classification Guide (CG). Access to Classified Information and facilities in which Classified Information is used shall be consistent with, and limited by, Article II (Objectives) and Article III (Scope of Work) of this AEGIS Framework MOA, and the associated ACS PA,

and shall be kept to the minimum required to accomplish the work assignments.

2.2. The Parent Party shall file visit requests for the CPP through prescribed channels in compliance with the Host Party's procedures. As part of the visit request procedures, the Parent Party shall cause security assurances to be filed, through the Parent Party's government embassy located in the Host Party's country specifying the security clearances for the CPP being assigned.

2.3. The Host Party and Parent Party shall use their best efforts to ensure that CPP assigned to the Host Party's project office are aware of, and comply with, applicable laws and regulations as well as the requirements of Article X (Controlled Unclassified Information), Article XI (Visits to Establishments), Article XII (Security), and paragraph 19.6 of Article XIX (Amendment, Termination, Entry into Force, and Duration) of the AEGIS Framework MOA and the provisions of the ACS PA PSI and CG. Prior to commencing assigned duties, CPP will, if required by the Host Party's government laws, regulations, policies, or procedures, sign a certification concerning the conditions and responsibilities of CPP.

2.4. CPP shall at all times be required to comply with the security and export control laws, regulations, and procedures of the Host Party's government. Any violation of security procedures by CPP during their assignment shall be reported to the Parent Party for appropriate action. CPP committing significant violations of security and export control laws, regulations, or procedures during their assignments shall be withdrawn from the Project with a view toward appropriate administrative or disciplinary action by their Parent Party.

2.5. All Classified Information made available to CPP shall be considered as Classified Information furnished to the Parent Party, and shall be subject to all provisions and safeguards provided for in Article XII (Security) of the AEGIS Framework MOA and , and the ACS PA PSI and CG.

2.6. CPP shall not have personal custody of Classified Information or Controlled Unclassified Information unless approved by the Host Party and as authorized by the Parent Party. They shall be granted access to such Information in accordance with the AEGIS Framework MOA Article X (Controlled Unclassified Information) and Article XII (Security); the ACS PA; and the ACS PA PSI during normal duty hours at the Host

Party's project office when access is necessary to perform Project work.

2.7. CPP assigned shall not serve as a conduit between the Host Party and Parent Party for requests and/or transmission of Classified Information or Controlled Unclassified Information unless specifically authorized by the ACS PA PSI.

3.0. Technical and Administrative Matters

3.1. Consistent with Host Party's government laws, policies and regulations, CPP shall be subject to the same restrictions, conditions, and privileges as Host Party personnel of comparable rank and in comparable assignments. Further, to the extent authorized by Host Party's government laws and regulations, CPP and their authorized dependents shall be accorded:

3.1.1. Exemption from any Host Party's government tax upon income received from the Parent Party.

3.1.2. Exemption from any Host Party's government customs and import duties or similar charges levied on items entering the country for their official or personal use, including their baggage, household effects, and private motor vehicles.

3.2. On arrival CPP and their dependents shall be provided briefings arranged by the Host Party's project office about applicable laws, orders, regulations, and customs and the need to comply with them. CPP shall also be provided briefings arranged by the Host Party's project office regarding entitlements, privileges, and obligations such as:

3.2.1. Any medical and dental care that may be provided to CPP and their dependents at Host Party medical facilities, subject to the requirements of applicable laws and regulations, including reimbursement requirements.

3.2.2. Purchasing and patronage privileges at military commissaries, exchanges, theaters, and clubs for CPP and their dependents, subject to the requirements of applicable laws and regulations.

3.2.3. The Host Party shall provide, if available, housing and messing facilities for CPP and their

dependents on the same basis and priority as for its own personnel. CPP shall pay messing and housing charges to the same extent as Host Party personnel. At locations where facilities are not provided by the Host Party for its own personnel, the Parent Party shall make suitable arrangements for its CPP.

3.2.4. Responsibility of CPP and their accompanying dependents to obtain motor vehicle liability insurance coverage in accordance with the laws and regulations applicable in the area where they are residing. In case of claims involving the use of private motor vehicles by CPP, the recourse shall be against such insurance.

3.3. The Host Party PM will, in consultation with the CPP, establish standard operating procedures for CPP in the following areas:

3.3.1. Working hours, including holiday schedules.

3.3.2. Leave authorization, consistent to the extent possible with the military and civilian personnel regulations and practices of the Host Party and Parent Party.

3.3.3. Dress regulations, consistent to the extent possible with the military and civilian personnel regulations and practices of the Host Party and Parent Party.

3.3.4. Performance evaluations, recognizing that such evaluations shall be rendered in accordance with the Parent Party's military or civilian personnel regulations and practices.

3.4. CPP committing an offense under the laws of the government of the Host Party or Parent Party may be withdrawn from a Project with a view toward further administrative or disciplinary action by the Parent Party. Disciplinary action, however, shall not be taken by the Host Party against CPP, nor shall the CPP exercise disciplinary powers over the Host Party's personnel. In accordance with Host Party's government laws and regulations, the Host Party shall assist the Parent Party in carrying out investigations of offenses involving CPP.

3.5. During their assignment, CPP shall not be placed in the following duty status or environments unless mutually decided by the SC or Board of PRs:

3.5.1. Areas of political sensitivity where their presence may jeopardize the interests of either the Host Party or Parent Party, or where, in the normal course of their duty, they may become involved in activities which may embarrass any Party.

3.5.2. Deployments in non-direct hostility situations, such as UN peacekeeping or multi-national operations, or third countries.

3.5.3. Duty assignments in which direct hostilities are likely. Should a project office to which CPP are assigned become involved in hostilities unexpectedly, CPP assigned to that JPO shall not be involved in the hostilities. Any such CPP approved by the PMs for involvement in hostilities shall be given specific guidance as to the conditions under which the assignment shall be carried out by the appropriate authorities of the Host Party and Parent Party.

3.6. The provisions of the NATO Status of Forces Agreement regarding the rights of a sending state's military personnel and civilian employees and their respective dependents shall apply to CPP.

AMENDMENT ONE
TO THE
PROJECT AGREEMENT
ANNEX TO THE
RESEARCH, DEVELOPMENT, TEST, EVALUATION, PRODUCTION, AND
LIFE CYCLE SUPPORT ACTIVITIES FOR TECHNOLOGIES AND SYSTEMS FOR
AEGIS-EQUIPPED SHIPS
MEMORANDUM OF AGREEMENT
DATED FEBRUARY 28, 2002
AEGIS COMBAT SYSTEM PROJECT AGREEMENT NO. TWO
BETWEEN
THE DEPARTMENT OF DEFENSE OF THE UNITED STATES OF AMERICA
AND
THE MINISTER OF DEFENSE OF THE KINGDOM OF SPAIN
FOR
COOPERATIVE TEST AND EVALUATION

PREAMBLE

The purpose of this Amendment One (Amendment) to the Project Agreement Annex to the Research, Development, Test, Evaluation, Production, and Life Cycle Support Activities for Technologies and Systems for Aegis-Equipped Ships Memorandum of Agreement, dated February 28, 2002, Aegis Combat System Project Agreement No. Two Between the Department of Defense of the United States of America and the Minister of Defense of the Kingdom of Spain for Cooperative Test and Evaluation (PA2) is to extend the duration of PA2 for one (1) year. Accordingly, the Department of Defense of the United States of America and the Minister of Defense of the Kingdom of Spain (Parties) have agreed as follows:

SECTION I

AMENDMENT

1. Amend Article Eleven (Entry into Force, Duration and Termination) as follows:
 - a. Replace the phrase in line 7 "for five years" with "for six years".

SECTION II

EFFECTIVE DATE AND SIGNATURES

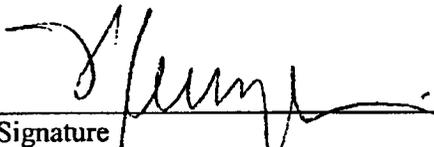
This Amendment shall enter into force upon signature by both Parties and shall remain in force as long as the PA that it amends.

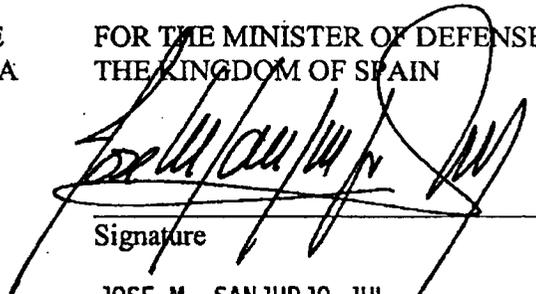
IN WITNESS WHEREOF, the undersigned, being duly authorized by their Governments, have signed this Amendment.

DONE, in duplicate, in the English language.

FOR THE DEPARTMENT OF DEFENSE
OF THE UNITED STATES OF AMERICA

FOR THE MINISTER OF DEFENSE OF
THE KINGDOM OF SPAIN


Signature


Signature

NEVIN P. CARR, JR.
Rear Admiral, U.S. Navy

JOSE M. SANJURJO JUL
Vice Admiral, Spanish Navy

Name
Deputy Assistant Secretary of the Navy
(International Programs)

Name
Director of Naval Constructions

Title
JUN 24 2008

Title
JUN 27, 2008

Date
Arlington, Virginia

Date
Madrid, SPAIN

Location

Location

AMENDMENT 2
TO THE
PROJECT AGREEMENT
ANNEX TO THE
RESEARCH, DEVELOPMENT, TEST, EVALUATION, PRODUCTION, AND
LIFE CYCLE SUPPORT ACTIVITIES FOR TECHNOLOGIES AND SYSTEMS FOR
AEGIS-EQUIPPED SHIPS
MEMORANDUM OF AGREEMENT
DATED FEBRUARY 28, 2002
AEGIS COMBAT SYSTEM PROJECT AGREEMENT NO. TWO
BETWEEN
THE DEPARTMENT OF DEFENSE OF THE UNITED STATES
AND
THE MINISTER OF DEFENSE OF THE KINGDOM OF SPAIN
FOR
COOPERATIVE TEST AND EVALUATION

PREAMBLE

The purpose of this Amendment 2 (Amendment) to the Project Agreement Annex to the Research, Development, Test, Evaluation, Production, and Life Cycle Support Activities for Technologies and Systems for AEGIS-Equipped Ships Memorandum of Agreement, dated February 28, 2002, AEGIS Combat System Project Agreement No. Two between the Department of the Defense of the United States of America and the Minister of Defense of the Kingdom of Spain for Cooperative Test and Evaluation (PA2) is to expand the scope of work of PA2 to include a fourth Combat System Ship Qualification Trial test event with the Spanish Navy's first Baseline S2 frigate and either a Navy DDG Class Destroyer or a CG 47 Class Cruiser and to extend the term of PA2. Accordingly, the Department of Defense of the United States of America and the Minister of Defense of the Kingdom of Spain, hereinafter referred to as "the Parties," have agreed as follows:

SECTION I

AMENDMENT

The PA2 is hereby amended as follows:

1. Amend the Table of Contents as follows:

a. Rename Article Eight as follows:

"ARTICLE EIGHT: CONTRACTING AND DISCLOSURE AND USE OF PROJECT INFORMATION."

2. Amend Article Two (Definition of Terms and Abbreviations) by adding the following definitions:

"Contractor Support Personnel

Persons specifically identified as providing administrative, managerial, scientific, or technical support services to a Party under a support Contract.

Party

A signatory to the AEGIS Framework MOA or this PA represented by its military and civilian personnel. Contractors and Contractor Support Personnel shall not be representatives of a Party under the AEGIS Framework MOA or this PA.

Prospective Contractor

Any entity that seeks to enter into a Contract to be awarded by a Party's Contracting Agency and that, in the case of a solicitation involving the release of export-controlled information, is eligible to receive such information."

3. Amend Article Three (Objectives) by replacing paragraph 3.5. with the following:

"The objectives of this T&E Project PA will be met during four joint U.S. - Spain Combat System Ship Qualification Trials (CSSQT). These Trials will involve the Spanish Navy's F-102 and the U.S. Navy's DDG 91, the Spanish Navy's F-103 and the U.S. Navy's DDG 97, the Spanish Navy's F-104 and the U.S. Navy's DDG 101, and the Spanish Navy's first Baseline S2 ship (expected to be F-101), and a U.S. Navy DDG 51 Class Destroyer or a CG 47 Class Cruiser."

4. Amend Article Six (Management) as follows:

a. Replace the first and second sentences of paragraph 6.7. with the following:

"There will be four trials conducted during this T&E Project. These trials are expected to be conducted in September 2004 (F-102 and DDG 91), October 2005 (F-103 and DDG 97), June 2007 (F-104 and DDG 101), and in 2009 or 2010 (F-101 and a DDG 51 Class Destroyer or a CG 47 Class Cruiser)."

b. Add the following new subparagraph 6.8.6.:

"employing its best efforts to resolve, in consultation with the export control authorities of the Party concerned, any export control issues raised by the PM and DPM in accordance with subparagraph 6.9.7. of this Article or raised by a Party's PSC representative in accordance with paragraph 6.10. of this Article."

c. Add the following new subparagraph 6.9.7.:

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

d. Add the following new subparagraph 6.9.8.:

"Developing and maintaining a list of all Project Equipment provided by one Party to the other Party. This list shall be maintained in the following format:

Nomenclature	Part#/ Model No.	Replacement Value	Receiving Party	Date Transferred"
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e. Add the following new paragraph 6.10.:

"If a Party finds it necessary to exercise a restriction on the retransfer of export-controlled information as set out in paragraph 8.5. of Article Eight (Contracting and Disclosure and Use of Project Information), it shall promptly inform the other Party. If a restriction is then exercised and the affected Party objects, that Party's PSC representative shall promptly notify the other Party's PSC representative and

they shall immediately consult in order to discuss ways to resolve such issues or mitigate any adverse effects.”

5. Amend Article Seven (Financial Arrangements) as follows:

a. Replace the second sentence of paragraph 7.2. with the following: “The Parties estimate that the performance of their combined obligations under this PA shall not cost more than a financial ceiling of \$37.046M U.S. then-year dollars.”

b. Replace paragraph 7.3. with the following:

“The Parties shall provide a total non-financial contribution of \$20.55M to include Contract administration and the use of U.S. AEGIS Class Destroyers (DDG 51 Class) and Crew and CG 47 Class Cruisers and Crew; and the Spanish Navy’s F-100 Class Frigates and Crew.”

c. Replace paragraph 7.10. with the following:

“For performance of efforts under this PA, the MOD shall provide the U.S. DOD with approximately \$14.863M for Contracts placed on the Spanish MOD’s behalf. For Contracts placed on behalf of the Spanish MOD for its unique national requirements in this T&E project, funds (approximately \$9.86M) shall be provided to the U.S. DOD according to the schedule in the Financial Management Procedures Document.”

6. Amend Article Eight (Contracting) by changing the title to “Contracting and Disclosure and Use of Information” and by adding the following new paragraphs:

“8.2. In addition to the requirements of Article VI (Contracting Provisions) of the AEGIS Framework MOA, each Party’s Contracting Agency shall insert into its prospective Contracts (and require its Contractors to insert into subcontracts) suitable provisions to satisfy the export control provisions of this PA, in particular paragraphs 8.3. and 8.4. of this Article.

8.3. Each Party shall legally bind its Contractors to a requirement that the Contractor shall not retransfer or otherwise use export-controlled information furnished by the other Party for any purpose other than the purposes authorized under the AEGIS Framework MOA or this PA. The Contractor shall also be legally bound not to retransfer the export-controlled information to another Contractor or subcontractor unless that Contractor or subcontractor has been legally bound to limit use of the information to the purposes authorized under the AEGIS Framework MOA or this PA. Export-controlled information furnished by one Party under this PA may only be retransferred by the other Party to its Contractors if the legal arrangements required by this paragraph have been established.

8.4. Each Party shall legally bind its Prospective Contractors to a requirement that its Prospective Contractor shall not retransfer or otherwise use export-controlled information furnished by the other Party for any purpose other than responding to a solicitation issued in furtherance of the purposes authorized under the AEGIS Framework MOA or this PA. Prospective Contractors shall not be authorized use for any other purpose if they are not awarded a Contract. The Prospective Contractors shall also be legally bound not to retransfer the export-controlled information to a prospective subcontractor unless that prospective subcontractor has been legally bound to limit use of the export-controlled information for the purpose of responding to the solicitation. Export-controlled information furnished by one Party under this PA may only be retransferred by the other Party to its Prospective Contractors if the legal arrangements required by this paragraph have been established. Upon request by the furnishing Party, the receiving Party shall identify its Prospective Contractors and prospective subcontractors receiving such export-controlled information.

8.5. With regard to disclosure and use of Project Information, transfer of Project Information shall be consistent with the furnishing Party's applicable export control laws and regulations. Unless otherwise restricted by duly authorized officials of the furnishing Party at the time of transfer to the other Party, all export-controlled information furnished by that Party to the other Party may be retransferred to the other Party's Contractors, subcontractors, Prospective Contractors, and prospective subcontractors, subject to the above stated requirements of paragraphs 8.3 and 8.4 of this Article. Export-controlled information may be furnished by Contractors, subcontractors, Prospective Contractors, and prospective subcontractors of one Party's nation to the Contractors, subcontractors, Prospective Contractors, and prospective subcontractors of the other Party's nation pursuant to this PA, subject to the conditions established in licenses or other approvals issued by the Government of the former Party in accordance with its applicable export control laws and regulations."

7. Amend Article Nine (Classification) by adding the following new paragraph to the end of the Article:

"9.3. In accordance with paragraphs 10.2. of Article X (Controlled Unclassified Information) and 12.5. of Article XII (Security) of the AEGIS Framework MOA, the Parties' export-controlled information shall be marked in accordance with the applicable Party's export control markings as documented in the Project Security Instruction. The Parties shall also decide, in advance and in writing, on the markings to be placed on any other types of Controlled Unclassified Information and shall describe such marking in the Project Security Instruction."

8. Amend Article Eleven (Entry Into Force, Duration and Termination) as follows:

a. Add the following as a new first sentence at the beginning of the Article:

“All activities of the Parties under this PA shall be carried out in accordance with their respective national laws and regulations, including their respective export control laws and regulations.”

b. Replace the phrase “for six years.” as changed in Amendment 1, with “until February 28, 2012.”

9. Amend ANNEX A (Spanish Financial Contribution Estimates) as follows:

a. Replace paragraph A.2. with the following:

“The management procedures in the FMPD describe the mechanisms under which the MOD will make \$14.863M available for the cooperative Project. Additional funds in the amount of \$1.64M will be made available for reimbursement for Project Equipment in the case that Project Equipment is lost or damaged during the Project.”

b. Replace paragraph A.3. with the following:

“Spanish national costs are estimated to be \$9.86M.”

c. Replace paragraph A.4. of Annex A with the following:

“The Spanish payment schedule under the PA is:

2003	\$2.2M
2004	\$4.5M
2005	\$5.6M
2006	\$6.76M
2007	\$0.6M
2008	\$0M
2009	\$5.063M
TOTAL	\$24.723M

10. All other provisions of this PA remain unchanged.

SECTION II

EFFECTIVE DATE AND SIGNATURES

This Amendment shall enter into force upon signature by both Parties and shall remain in force as long as the PA which it amends.

IN WITNESS WHEREOF, the undersigned, being duly authorized by their Governments, have signed this Agreement.

DONE, in duplicate, in the English language.

FOR THE DEPARTMENT OF DEFENSE OF THE UNITED STATES OF AMERICA AND FOR THE MINISTER OF DEFENSE OF THE KINGDOM OF SPAIN


Signature: [Handwritten Signature] RDML/US
Name: T. J. PENEDICT
Signature: [Handwritten Signature]
Name: JM SANJURJO JUL

PEO IWS
Title

26 June 2009
Date

Washington, DC, USA
Location

DIRECCION DE CONSTRUCCIONES MILITARES
Title

029 JUNIO 2009
Date

MADRID.
Location

AMENDMENT 1
TO THE AGREEMENT
BETWEEN
THE DEPARTMENT OF DEFENSE
OF THE UNITED STATES OF AMERICA
AND
THE MINISTER OF DEFENSE
OF THE KINGDOM OF SPAIN
FOR
RESEARCH, DEVELOPMENT, TEST, EVALUATION, PRODUCTION, AND
LIFE CYCLE SUPPORT ACTIVITIES FOR
TECHNOLOGIES AND SYSTEMS
FOR AEGIS-EQUIPPED SHIPS
(AEGIS FRAMEWORK MOA)
DATED 28 FEBRUARY 2002

PREAMBLE

The purpose of Amendment 1 (Amendment) to the Agreement between the Department of Defense of the United States of America and Minister of Defense of the Kingdom of Spain for Research, Development, Test, Evaluation, Production, and Life Cycle Support Activities for Technologies and Systems for AEGIS- Equipped Ships (Aegis Framework MOA) is to update the principal representative (PR) for the U.S., to add export control text, and to extend the term of the Aegis Framework MOA until 28 February 2022. Accordingly the Department of Defense of the United States of America and the Minister of Defense of the Kingdom of Spain, hereinafter referred to as "the Parties," have agreed as follows:

SECTION 1

AMENDMENT

1. Revise Article I (Definitions) by adding or modifying the following definitions:

"Contractor Support Personnel: Persons specifically identified as providing administrative, managerial, scientific, or technical support services to a Party under a support Contract."

"Project Agreement (PA) Party: A Party who is a signatory to a specific PA."

"Party: A signatory to this Aegis Framework MOA, as represented by its military and civilian personnel. Contractors and Contractor Support Personnel shall not be representatives of a Party under this MOA."

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

2. Revise Article IV (Management (Organization and Responsibility)) as follows:

- 2.1. Replace the fourth sentence of paragraph 4.1. of Article IV (Management (Organization and Responsibility)) with the following:

"For the U.S. DOD the PR shall be the Program Executive Officer for Integrated Warfare Systems (PEO IWS)."

- 2.2. Add the following paragraph after 4.1.5.:

"4.1.6. Employing its best efforts to resolve, in consultation with the export control authorities of the Participant or PA Participant concerned, any export control issues raised by the Participant or by the PA Participant's Program Manager (PM) or Project

Steering Committee (PSC) representative in accordance with subparagraphs 4.4.10. and 4.5.12., and 9.9 of this MOA.”

2.3. Add the following paragraph after 4.4.9.

“4.4.10. Monitoring export control arrangements required to implement PAs under this MOA and, if applicable, referring immediately to the PA Participant’s PR Board representative of any export control issues that could adversely affect the implementation of a PA under this MOA.”

2.4. Add the following paragraph after 4.5.11.:

“4.5.12. Monitoring export control arrangements required to implement PAs under this MOA and, if applicable, referring immediately to the PSC representative any export control issues that could adversely affect the implementation of a PA under this MOA.”

3. Revise Article VI (Contracting Provisions) as follows:

3.1. Replace paragraph 6.5. with the following:

“6.5. Each PA Party’s Contracting Agency shall negotiate to obtain the rights to use and disclose Project Information required by Article IX (Disclosure and Use of Project Information), Article X (Controlled Unclassified Information), Article XII (Security), Article XIII (Third Party Sale and Transfers), and Article XIX (Amendment, Termination, Entry into Force, and Duration) of this MOA and, including export control provisions in accordance with this MOA, in particular paragraphs 6.9. and 6.10. of this Article. During the Contracting process, each PA Party’s Contracting Officer shall advise Prospective Contractors of their responsibility to notify immediately the Contracting Agency, before Contract award, if they are subject to any license or agreement that shall restrict that PA Party’s freedom to disclose Project Information or permit its use. The Contracting Officer shall also advise Prospective Contractors to employ their best efforts not to enter into any new agreement or arrangement that will result in restrictions.”

3.2. Insert the following new paragraphs 6.9. and 6.10. after paragraph 6.8.:

“6.9. Each Party or PA Party shall legally bind its Contractors to a requirement that the Contractor shall not retransfer or otherwise use export-controlled information furnished by the other PA Party for any purpose other than the purposes authorized under this Aegis Framework MOA or the applicable PAs under this MOA. The Contractor shall also be legally bound not to retransfer the export-controlled information to another Contractor or subcontractor unless that Contractor or subcontractor has been legally bound to limit use of the information to the purposes authorized under this MOA or the applicable PA under this MOA. Export-controlled information furnished by one Party under this MOA, or one PA Party under a PA under this MOA, may only be retransferred by the other Party or PA Party to its Contractors if the legal arrangements required by this paragraph have been established.

6.10. Each PA Party shall legally bind its Prospective Contractors to a requirement that Prospective Contractors shall not retransfer or otherwise use export-controlled

information furnished by the other PA Party for any purpose other than responding to a solicitation issued in furtherance of the purposes authorized under the applicable PA under this MOA. Prospective Contractors shall not be authorized use for any other purpose if they are not awarded a Contract. The Prospective Contractors shall also be legally bound not to retransfer the export-controlled information to a prospective subcontractor unless that prospective subcontractor has been legally bound to limit use of the export-controlled information for the purpose of responding to the solicitation. Export-controlled information furnished by one PA Party under a PA under this MOA may only be retransferred by the other PA Party to its Prospective Contractors if the legal arrangements required by this paragraph have been established. Upon request by the furnishing PA Party, the receiving PA Party shall identify its Prospective Contractors and prospective subcontractors receiving such export-controlled information.”

4. Revise Article IX (Disclosure and Use of Project Information) as follows:

4.1. Delete the word “and” at the end of 9.3.1.2., delete the period at the end of 9.3.1.3. and replace it with “; and,” and add the following paragraph after 9.3.1.3.:

“9.3.1.4. any disclosure or transfer of such Project Background Information to Contractors is consistent with the furnishing PA Party’s export control laws and regulations.”

4.2. Delete the word “and” at the end of 9.5.1.2., delete the period at the end of 9.5.1.3. and replace it with “; and,” and add the following paragraph after 9.5.1.3.:

“9.5.1.4. any disclosure or transfer of such Project Background Information to Contractors is consistent with the furnishing PA Party’s export control laws and regulations.”

4.3. Add the following paragraphs after paragraph 9.8.:

“9.9. Transfer of Project Information shall be consistent with the furnishing Party’s or PA Party’s applicable export control laws and regulations. Unless otherwise restricted by duly authorized officials of the furnishing Party or PA Party at the time of transfer to the other Party or PA Party, all export-controlled information furnished by that Party or PA Party to the other Party or PA Party may be retransferred to the other Party’s or PA Party’s Contractors, subcontractors, Prospective Contractors, and prospective subcontractors, subject to the above stated requirements of paragraphs 6.9. and 6.10. of Article VI (Contracting Provisions) of this MOA. Export-controlled information may be furnished by Contractors, subcontractors, Prospective Contractors, and prospective subcontractors of one Party’s or PA Party’s nation to the Contractors, subcontractors, Prospective Contractors, and prospective subcontractors of the other Party’s or PA Party’s nation pursuant to this MOA, subject to the conditions established in licenses or other approvals issued by the Government of the former Party or PA Party in accordance with its applicable export control laws and regulations.

9.10. If a Party or PA Party finds it necessary to exercise a restriction on the retransfer of export-controlled information as set out in paragraph 9.9. of this Section, it shall promptly inform the other Party or PA Party. If a restriction is then exercised and the

affected Party or PA Party objects, that Party's PR or PA Party's EC representative will promptly notify the other Party's PR or PA Party's EC representative and they shall immediately consult in order to discuss ways to resolve such issues or mitigate any adverse effects."

5. Replace paragraph 10.2 of Article X (Controlled Unclassified Information) as follows:

"10.2. To assist in providing the appropriate controls, the originating Party shall ensure that Controlled Unclassified Information is appropriately marked to ensure its "in confidence" nature. The Parties' and PA Parties' export-controlled information shall be marked in accordance with the applicable Party's or PA Party's export control markings as documented in the Project Security Instruction (PSI) and Classification Guide (CG). The Parties and PA Parties shall also decide, in advance and in writing, on the markings to be placed on any other types of Controlled Unclassified Information and describe such markings in the PSI and CG."

6. Revise Article XII (Security) as follows:

6.1. At the end of the second sentence of paragraph 12.5., delete the period and add the following:

"and shall require that markings for all export-controlled Classified Information shall include the applicable export control markings identified in the PSI in accordance with paragraph 10.2. of Article 10 (Controlled Unclassified Information) of this MOA"

7. Revise Article XIX (Amendment, Termination, Entry into Force, and Duration) as follows:

7.1. Replace the first sentence of paragraph 19.1. with the following

"19.1. All activities of the Parties under this MOA will be carried out in accordance with their respective national laws and regulations, including their respective export control laws and regulations."

7.2. Replace paragraph 19.7. with the following:

"19.7. This Aegis Framework MOA, which consists of nineteen (19) Articles and one (1) Annex, shall enter into force upon signature by both Parties and shall remain in force until February 28, 2022. It may be extended by written agreement of the Parties."

8. All other provisions of this Aegis Framework MOA remain unchanged.

SECTION II

EFFECTIVE DATE AND SIGNATURES

This Amendment shall enter into force upon signature by both Parties and shall remain in force as long as the Aegis Framework MOA which it amends.

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

DONE, in duplicate, in the English language.

FOR THE DEPARTMENT OF DEFENSE
OF THE UNITED STATES OF AMERICA

FOR THE MINISTER OF DEFENSE OF
THE KINGDOM OF SPAIN

Signature

Signature

Royal J. Rixey
Name

Almirante Jaime Holguin Delgado Diaz CEO Rio
Name

Deputy Assistant Secretary of the
Navy (International Programs)
Title

ALMIRANTE JEFE DEL APOYO LOGISTICO ARMADA
Title

FEB 7 2012
Date

FEB 28, 2012
Date

Location

Location

Washington, D.C.
Location

MADRID
Location