

SECTION XIII

SECURITY

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

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

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

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

SECTION XIV

THIRD PARTY SALES AND TRANSFERS

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

SECTION XV

LIABILITY AND CLAIMS

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

SECTION XVI

PARTICIPATION OF ADDITIONAL NATIONS

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

SECTION XVII

CUSTOMS DUTIES, TAXES, AND SIMILAR CHARGES

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

SECTION XVIII

SETTLEMENT OF DISPUTES

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

SECTION XIX

GENERAL PROVISIONS

- 19.1 All activities of the Participants under this MOU will be carried out in accordance with their national laws and regulations, including their export control laws and export control regulations. The responsibilities of the Participants will be subject to the availability of funds for such purposes.
- 19.2 In the event of a conflict between a Section of this MOU and any Annex to this MOU or subsequently established PAs under this MOU, the MOU will take precedence. However, a PA under this MOU may contain specific provisions that are identified as deviating from the provisions of this MOU, in which case the deviating PA provisions will govern for that PA.

SECTION XX

ENTRY INTO EFFECT, DURATION, AMENDMENT AND TERMINATION

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

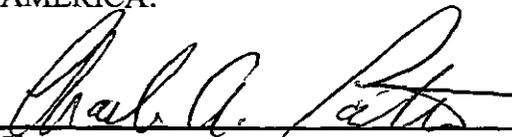
Section XI (Controlled Unclassified Information), Section XIII (Security), Section XIV (Third Party Sales and Transfers), Section XV (Liability and Claims), Section XVIII (Settlement of Disputes), Section XIX (General Provisions), and this Section XX (Entry into Effect, Duration, Amendments and Termination)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

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

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

SIGNED, in duplicate, in the English language.

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


Signature

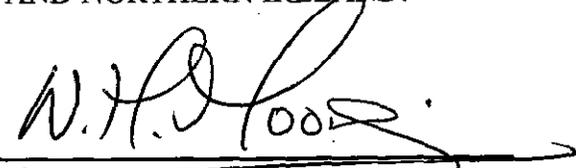
Charles A. Cartwright

Program Manager, Unit of Action
Title

15 December 2004
Date

St Louis, MO
Location

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


Signature

W. H. Moore

Director Equipment Capability (Ground
Manoeuvre)
Title

15 December 2004
Date

St Louis, MO
Location

ANNEX A

MODEL PROJECT ARRANGEMENT (PA)

PROJECT ARRANGEMENT NUMBER * _____

BETWEEN

THE SECRETARY OF DEFENSE
ON BEHALF OF THE DEPARTMENT OF DEFENSE
OF THE UNITED STATES OF AMERICA
AND
THE SECRETARY OF STATE FOR DEFENCE
OF THE
UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND

UNDER THE
LAND BATTLESPACE SYSTEMS
MEMORANDUM OF UNDERSTANDING

DATED *[insert signature date of LBS MOU]*

CONCERNING

(FULL TITLE OF THE LBS PROJECT)

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

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

SECTION I
INTRODUCTION

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

SECTION II
DEFINITIONS OF TERMS AND ABBREVIATIONS

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

SECTION III
OBJECTIVES

The objectives of this _____ PA are:

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

SECTION IV
SCOPE OF WORK

The following work will be carried out under this PA.

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

SECTION V
SHARING OF TASKS

The sharing of tasks will be as follows:

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

SECTION VI
BREAKDOWN AND SCHEDULE OF TASKS

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

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

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

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

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

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

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

(Add as many phases as necessary.)

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

SECTION VII
MANAGEMENT

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

Alternative 1

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

U.S. DoD PO Title/Position _____

Organization _____

Address _____

UK MoD PO Title/Position _____

Organization _____

Address _____

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

3. Particular Management Procedures:

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

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

Alternative 2

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

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

**SECTION VIII
FINANCIAL PROVISIONS**

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

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

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

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

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

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

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

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

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

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

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

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

SECTION X
SECURITY CLASSIFICATION

Only one of the four following possibilities must be selected:

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

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

SECTION XI
PRINCIPAL ORGANIZATIONS INVOLVED

(List the organizations and facilities of the Participants.)

SECTION XII
EQUIPMENT AND MATERIAL TRANSFERS
(IF REQUIRED)

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

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

(Fill in as appropriate.)

NOTES:

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

SECTION XIII
SPECIAL PROVISIONS

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