

FRAMEWORK MEMORANDUM OF UNDERSTANDING
AMONG THE
MINISTER OF DEFENSE OF THE REPUBLIC OF ITALY
AND THE
MINISTER OF DEFENSE OF THE KINGDOM OF SPAIN
AND THE
SECRETARY OF STATE FOR DEFENCE
OF THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND
AND THE
SECRETARY OF DEFENSE ON BEHALF OF THE DEPARTMENT OF DEFENSE
OF THE UNITED STATES OF AMERICA
CONCERNING
COOPERATION IN POST-PRODUCTION SUPPORT OF HARRIER AIRCRAFT
(Short Title: Harrier Framework MOU)

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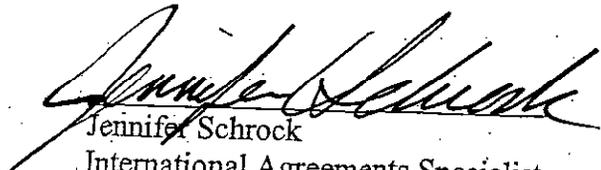

Jennifer Schrock
International Agreements Specialist
Navy International Programs Office

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INTRODUCTION

The Minister of Defense of the Republic of Italy (IT MOD), the Minister of Defense of the Kingdom of Spain (SP MOD), the Secretary of State for Defence of the United Kingdom of Great Britain and Northern Ireland (UK MOD), and the Secretary of Defense on behalf of the Department of Defense of the United States of America (U.S. DoD), hereinafter referred to as the "MOU Participants":

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 successful cooperation of the UK MOD and the U.S. DoD in the Memorandum of Understanding between the Government of the United Kingdom of Great Britain and Northern Ireland and the Government of the United States of America Relating to AV-8B/Harrier GR5 Development, Production and Support (hereinafter referred to as "the U.S.-UK AV-8B/GR5 Arrangement") of 27 July 1981, as amended by Amendment 1 of 26 February 1996;

Recognizing the successful cooperation of the IT MOD, SP MOD, and the U.S. DoD in the Memorandum of Understanding between the Minister of Defense of The Kingdom of Spain and the Minister of Defense of The Republic of Italy and The Secretary of Defense of the United States of America Concerning a Cooperative Program for Full Integration of a Radar in the AV-8B Weapon System and the Production and Life Cycle Support of a Radar Equipped AV-8B (AV-8B Harrier II Plus): The General and Full Integration Memorandum of Understanding for the AV-8B Harrier II Plus Program of 28 September 1990; and the Production, Remanufacture, and In-Service Support Memorandum of Understanding for the Harrier II Plus Program (hereinafter referred to as "the SP-IT-U.S. AV-8B Harrier II Plus Production, Remanufacture and In-Service Support MOU") of 30 December 1992, as amended by Amendment 1 of 1 December 2000, Amendment 2 of 28 December 2001, and Amendment 3 of 31 December 2002;

Recognizing that the MOU Participants have a mutual need for the post-production support of Harrier Aircraft to satisfy similar operational requirements; and

Desiring to establish a framework under this Memorandum of Understanding (MOU) to pursue cooperative efforts under this MOU and in individually negotiated Project Arrangements (PAs) for post-production support activities for Harrier aircraft;

Have reached the following understandings:

SECTION I

DEFINITIONS AND ACRONYMS:

1.1. The MOU Participants have jointly decided upon the following definitions for terms used in this MOU and its PAs:

AV Tooling Information System (AVTIS)	<p>A computer-based data system, complementary to the Harrier electronic Tooling Information Management System (Harrier eTIMS), which provides:</p> <ol style="list-style-type: none">a. Electronic links to Harrier eTIMS for specific tooling data for tools retained for Harrier aircraft support, and;b. A repository for the following data pertaining to saved or discarded special tooling (ST)/special test equipment (STE) used in the production of Harrier aircraft: schematics, tool usage instructions, calibration, diagrams, parts lists, assembly plans, process data sheets, specifications and inspection aids.
Classified Information	<p>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.</p>
Contract	<p>Any mutually binding legal relationship under national laws which obligates a Contractor to furnish supplies or services, and obligates an MOU Participant to pay for them.</p>

Contracting	The obtaining of supplies or services by Contract from sources outside the government organizations of the MOU Participants. 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 an MOU Participant, which has authority to enter into, administer, or terminate Contracts.
Contracting Officer	A person representing a Contracting Agency of an MOU Participant who has the authority to enter into, administer, or terminate Contracts.
Contractor	Any entity awarded a Contract by an MOU Participant's Contracting Agency.
Contractor Support Personnel	Persons specifically identified in support Contracts who provide administrative, managerial, scientific, or technical support services to an MOU Participant under a Contract with that MOU Participant that prohibits using Information received under the Contract for any purpose other than those authorized under this MOU or applicable PA.
Controlled Unclassified Information	Unclassified information to which access or distribution limitations have been applied in accordance with applicable national laws or regulations. Whether the information is provided or generated under this MOU or a PA, the information will be marked to identify its "in confidence" nature. U.S. export-controlled technical data will be marked as "International Traffic in Arms Regulations (ITAR) - Controlled". Italian export-controlled technical data will be marked as "Nuove Norme sul Controllo dell'Esportazione, Importazione e Transito dei

Materiali di Armamento". Spanish export-controlled technical data will be marked as "Spain Export-Controlled". U.K. export-controlled technical data will be marked as "U.K. Export-Controlled". It could include information which has been declassified, but remains controlled.

Cooperative Program Personnel (CPP)	Military members or civilian employees of a Parent Participant assigned to the Joint Program Office (JPO) or its annex offices, or to a Project Office (PO), who perform managerial, engineering, technical, administrative, Contracting, logistics, financial, planning or other functions in furtherance of the Program or a Project.
Defense Purposes	Manufacture or other use in any part of the world by or for the armed forces of an MOU Participant.
Designated Security Authority (DSA)	The security office approved by national authorities to be responsible for the security aspects of this MOU.
Financial Cost Ceiling	The maximum amount of Financial Costs that may be contributed to a specific portion of the Program or to a relevant Project without the prior written approval of the MOU or PA Participants.
Financial Costs	Program or Project costs met with monetary contributions.
Harrier electronic Tooling Information Management System (eTIMS)	A relational automated information system that is employed to track the special tooling and special test equipment (ST/STE) for Harrier aircraft and contains part-to-part, tool-to-tool and physical tool location data. The Harrier eTIMS is used in determining the proper ST/STE required for specific post-production support activities and for inventory control.

Host Participant	The MOU Participant whose nation serves as the location of the JPO or its annex offices under this MOU, or the PO under a PA.
Information	Knowledge that can be communicated by any means, regardless of form or type, including, but not limited to, that of a scientific, technical, business, or financial nature, and also including photographs, reports, manuals, threat data, experimental data, test data, computer software (which includes source code and object code), 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.
Information Technology	Any equipment or interconnected system or subsystem of equipment that is used in the automatic acquisition, storage, manipulation, management, movement, control, display, switching, interchange, transmission or reception of data or information. The term "information technology" includes computers, ancillary equipment, software, firmware and similar procedures, services (including support services), and related resources.
Information Technology System	A specific Information Technology installation, with a particular purpose and operational environment.
MOU Participant	A signatory to this MOU represented by its military and civilian personnel. Contractors and Contractor Support Personnel will not be representatives of an MOU Participant.

Non-financial Costs	Program or Project costs met with non-monetary contributions.
PA Participant	A signatory to a Project Arrangement (PA) concluded pursuant to this MOU.
Parent Participant	An MOU Participant which sends its CPP to the JPO or its annex offices under this MOU, or a to PO under a PA, located in the nation of the Host Participant.
Patent	Legal protection of the benefit 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.
Program	The cooperative Harrier post-production support efforts of the MOU Participants under this MOU to achieve the objectives in paragraph 2.3 of Section II (Objective(s)) and accomplish the work in paragraphs 3.1, 3.2, 3.3, and 3.4 of Section III (Scope of Work). The Program does not include the work identified in paragraph 3.5 of Section III Scope of Work.
Program Background Information	Information not generated in the performance of the Program.
Program Foreground Information	Information generated in the performance of the Program.
Program Information	Information provided to, generated in, or used in this Program. Program Information does not include information exchanged under paragraphs 3.1 and 3.2 of Section III (Scope of Work).

Program Invention	Any invention or discovery formulated or made (conceived or "first actually reduced to practice") in the course of work performed under the Program. 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.
Program Management Plan	A document that defines the integrated tasks and resources required to accomplish the scope of work of this MOU. It is the principal management document for the Joint Program Office.
Project	Collaborative activity performed under a PA concluded pursuant to this MOU.
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 the Program or a Project.
Project Information	Any information provided to, generated in, or used in a Project.
Project Invention	Any invention or discovery formulated or made (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.

Project Plan A document that defines the integrated tasks and resources required to accomplish the objectives of a PA under this MOU. It is the principle management document for the management of the Project.

Then Year (TY) Dollars U.S. dollars that reflect purchasing power at the time expenditures are actually made. Dollars are projected actual amounts to be paid.

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

U.S. Fiscal Year The U.S. Fiscal Year is 01 October of one calendar year through 30 September of the following calendar year. For example, U.S. Fiscal Year 2004 = 01 October 2003 through 30 September 2004.

1.2. Acronym List:

AVTIS	AV Tooling Information System
CG	Classification Guide
CPP	Cooperative Program Personnel
EU	European Union
DSA	Designated Security Authority
DEP	Deputy Project Manager
ESC	Executive Steering Committee
FMPD	Financial Management Procedures Document
Harrier eTIMS	Harrier electronic Tooling Information Management System
HMP	Harrier Management Panel
IT MOD	Minister of Defense of the Republic of Italy
JPO	Joint Program Office
MOU	Memorandum of Understanding
NATO	North Atlantic Treaty Organization
PA	Project Arrangement
PM	Project Manager
PMP	Program Management Plan
PO	Project Office
PSC	Project Steering Committee
PSI	Project Security Instruction
SP MOD	Minister of Defense of the Kingdom of Spain
ST/STE	Special tooling/special test equipment
UK MOD	Secretary of Defence of the United Kingdom of Great Britain and Northern Ireland
U.S. DoD	Secretary of Defense on behalf of the Department of Defense of the United States of America

SECTION II

OBJECTIVE(S)

2.1. This MOU establishes the general provisions governing the post-production support of Harrier aircraft in the Participants' fleets. It will also serve as the mechanism which will enable the MOU Participants to identify and investigate collaborative opportunities in various areas pertinent to the post-production support of the Italian, Spanish, UK, and U.S. Harrier aircraft. Furthermore, it will serve as the vehicle for conducting certain salient cooperative Harrier post-production support efforts, as detailed in Section III (Scope of Work) of this MOU. As further collaborative opportunities are identified, the MOU Participants may enter into PAs for specifically defined Projects under the aegis of this MOU.

2.2. Upon signature of this MOU by the U.S. DoD and the UK MOD, this MOU will supercede the U.S.-UK AV-8B/GR5 Arrangement. Upon signature of this MOU by the IT MOD, SP MOD, and U.S. DoD, this MOU will supercede the IT-SP-U.S. AV-8B Harrier II Plus Production, Remanufacture and In-Service Support MOU, with the exception of those defense articles and services provided in accordance with Amendment 3 of that MOU. The MOU Participants will foster and maintain the spirit of cooperation developed under their previous MOUs and build upon the lessons learned from the MOU Participants' past successful cooperative efforts. Given the foregoing, all cooperative Harrier post-production support activities involving the IT MOD, SP MOD, and U.S. DoD that are initiated after those MOU Participants sign this MOU will be conducted under this MOU, and all cooperative Harrier post-production support activities involving the UK MOD and U.S. DoD that are initiated after the UK MOD and U.S. DoD sign this MOU will be conducted under this MOU. The MOU Participants acknowledge that all of their rights in Information and equipment provided, generated, or produced under the U.S.-UK AV-8B/GR5 Arrangement and the IT-SP-U.S. AV-8B Harrier II Plus Production, Remanufacture and In-Service Support MOU will continue to apply in accordance with the provisions of that Arrangement and that MOU.

2.3. The objectives of this MOU are to:

- 2.3.1. Promote interoperability among the MOU Participants' Harrier aircraft.

- 2.3.2. Promote systems safety in MOU Participants' Harrier fleets.
- 2.3.3. Identify opportunities for common post-production support of the MOU Participants' Harrier aircraft in a most cost-effective manner.
- 2.3.4. Identify upgrades that will enhance war fighting effectiveness and improve readiness in the MOU Participants' Harrier fleets.
- 2.3.5. Foster the exchange of ideas and promote collaborative initiatives among the MOU Participants' Harrier fleets and supporting industries.
- 2.3.6. Promote reliability, maintainability, and safety of the propulsion systems in the MOU Participants' Harrier fleets.
- 2.3.7. Establish the general principles that will apply to the initiation, conduct, and management of cooperative efforts in PAs concluded pursuant to this MOU.

2.4. The overall objective of the PAs will be to implement the collaborative opportunities, identified under this MOU, between or among two or more MOU Participants.

2.5. PAs under this MOU will be subject to the provisions of this MOU. Each PA will contain specific provisions concerning but not limited to the PA's individual objectives, scope of work, management, financial provisions, disclosure and use of information, Third Party sales and transfers, and termination, withdrawal, entry into effect, and duration. PAs will generally follow the format and content provided at Annex A (Sample Project Arrangement). In the case of a conflict between the provisions of this MOU and a PA, the MOU will govern, except that on a case-by-case basis, a PA may contain specific provisions which are identified as deviating from the provisions of this MOU, in which case the deviating PA provisions will govern. However, for any PA in which an MOU Participant is not a PA Participant but is contracting at the request of and on behalf of the PA Participants, the PA may not deviate from the provisions of paragraph 5.14 of Section V (Financial Provisions) and paragraph 12.6.1 of Section XII (Third Party Sales and Transfers).

2.6. Two or more MOU Participants may enter into individual PAs as PA Participants without seeking the approval of the other MOU Participants. The proposed PA Participants will, however, provide the other MOU Participants with a summary of the proposed Project before signature of the PA. A PA will not confer any benefits or impose any responsibilities upon a MOU Participant who is not a signatory of that PA, unless otherwise specified in this MOU.

SECTION III

SCOPE OF WORK

3.1. Information exchange specifically for the purpose of identifying opportunities for common Harrier post-production support efforts, discussing and harmonizing the MOU Participants' requirements for such post-production support, and for formulating, developing, and negotiating PAs is permitted under this MOU.

3.2. Information pertaining to certification or substantiation of airworthiness of Harrier aircraft which is generated nationally or for unique national requirements, or generated pursuant to a PA under this MOU may be exchanged between or among two or more MOU Participants as those MOU Participants mutually determine, provided that the information exchanged between or among those MOU Participants is deemed by them to be quantitatively and qualitatively equivalent over the course of the MOU. This paragraph will not be subject to the provisions of paragraph 5.8 of Section V (Financial Provisions) of this MOU.

3.3. Cooperative Harrier post-production support under this MOU will include the following work:

- 3.3.1. Investigate and conduct preliminary studies pertinent to obsolescence, logistics, avionics, propulsion, sub-systems, support equipment, ordnance and support issues relating to the Harrier airframe.
- 3.3.2. Exchange, by naval or other government message, electronic mail or other written means, notifications of safety-related events when circumstances require an MOU Participant to ground or take other action to avoid grounding aircraft within ten (10) flight hours.
- 3.3.3. Explore ways to perform common training to fulfill current and future requirements.
- 3.3.4. Research areas of potential collaboration in development of major upgrades and weapon system integration.

3.3.5. Develop and implement an information transfer strategy and an Information Technology System.

3.3.6. Perform the following Pegasus engine activities:

3.3.6.1. Conduct component improvement program efforts for the Pegasus F402-RR-408A/B/Mk107 engines, including investigating propulsion system problems and recommending design and other solutions to improve propulsion safety, reliability, maintainability, operability and survivability, and to reduce life cycle costs.

3.3.6.2. Perform system safety analyses for the Pegasus F402-RR-406A/B/408A/B/Mk105/107 engines.

3.3.6.3. Conduct efforts to improve system-level reliability, maintainability, and safety of the Gas Turbine Starter (GTS).

3.3.7. Provide, either through Contracting or from the MOU Participants' respective stocks, spares and repairables for the individual MOU Participants' post-production support requirements.

3.3.8. Provide Information generated under a PA (other than Information generated under a PA that may be exchanged under paragraph 3.2) or an item produced wholly or in part from such Information to an MOU Participant that is not a signatory to that PA, subject to the provisions of paragraph 5.8 of Section V (Financial Provisions).

3.4. In addition to the activities identified in paragraph 3.3, the IT MOD, UK MOD, and U.S. DoD will also conduct the following efforts:

3.4.1. The IT MOD, UK MOD, and U.S. DoD will determine which special tooling/special test equipment (ST/STE) and associated documentation acquired or used under the U.S.-UK AV-8B/GR5 Arrangement or the IT-SP-U.S. AV-8B Harrier II Plus Production, Remanufacture and In-Service Support MOU may likely be necessary for Harrier post-production

support requirements of IT MOD, UK MOD, and U.S. DoD.

- 3.4.2. The IT MOD, UK MOD, and U.S. DoD will also, based upon the determinations made under paragraph 3.4.1, enter data into, and maintain, the Harrier electronic Tooling Information Management System (eTIMS) and provide for electronic on-line access for those MOU Participants.
- 3.4.3. The IT MOD and U.S. DoD will preserve, transport (for the purpose of storage), maintain, and store ST/STE and associated documentation which are determined under paragraph 3.4.1 to likely be necessary for the Harrier post-production support requirements of the IT MOD, UK MOD, and U.S. DoD, and which are located in the United States.
- 3.4.4. The UK MOD will preserve, transport (for the purpose of storage), maintain, and store ST/STE and associated documentation which is identified in paragraph 3.4.1 to likely be necessary for the Harrier post-production support requirements of the IT MOD, UK MOD, and U.S. DoD, and which are located in the United Kingdom of Great Britain and Northern Ireland.

3.5. The scope of work for PAs under this MOU will encompass various Harrier post-production support efforts to further the objective identified in paragraph 2.4 of Section II (Objectives); the scope of these efforts will extend beyond the MOU Participants' efforts described in paragraphs 3.3 and 3.4 of Section III (Scope of Work) of this MOU and may include system development efforts. The tasks for each PA will be detailed in that PA.