

**ACQUISITION AND CROSS-SERVICING AGREEMENT
(US-SW-01)
BETWEEN
THE DEPARTMENT OF DEFENSE
OF THE UNITED STATES OF AMERICA
AND
THE SWEDISH ARMED FORCES**

PREAMBLE

The Department of Defense of the United States of America and the Swedish Armed Forces, hereinafter referred to as the "Parties," desiring to further the interoperability, readiness, and effectiveness of their respective military forces through increased logistic cooperation, within the framework of Peace Support Operations, have resolved to conclude this Acquisition and Cross-Servicing Agreement (the "Agreement").

**ARTICLE I
PURPOSE**

This Agreement is entered into for the purpose of establishing basic terms, conditions, and procedures to facilitate the reciprocal provision of "logistic support, supplies, and services" as that term is defined in Article III of this Agreement.

**ARTICLE II
APPLICABILITY**

1. This Agreement is designed to facilitate reciprocal logistic support between the Parties to be used during training, exercises, preparations and conducting Peace Support Operations in which both parties participate and in which one of the Parties may have a need of logistic support, supplies, and services.
2. This Agreement applies to the reciprocal provision of logistic support, supplies and services to the military forces of one Party by the other Party in return for either cash payment or the reciprocal provision of logistic support, supplies, and services to the military forces of the other Party.
3. Acquisitions and transfers under this Agreement and any implementing arrangements executed hereunder are made subject to the availability of appropriations for such purposes and

acquisition and transfer limitations established by law and regulations of the United States and Sweden.

4. The following items are not eligible for transfer under this Agreement and are specifically excluded from its coverage:

a. weapon systems;

b. major end items of equipment (except for the lease or loan of general purpose vehicles and other nonlethal items of military equipment which are not designated as significant military equipment on the U.S. Munitions List);

c. initial quantities of replacement and spare parts associated with the initial order quantity of major items of organizational equipment covered in tables of allowances and distribution, tables of organization and equipment, and equivalent documents.

5. Also excluded from transfer by either Party under this Agreement are any items the transfer of which are prohibited by its laws or regulations. Specifically excluded from transfer by United States laws and regulations under this Agreement are the following:

a. guided missiles;

b. naval mines and torpedoes;

c. nuclear ammunition and included items such as warheads, warhead sections, projectiles, demolition munitions, and training ammunition;

d. cartridge and aircrew escape propulsion system (AEPS) components;

e. chaff and chaff dispensers;

f. guidance kits for bombs or other ammunition;

g. chemical ammunition (other than riot control agents);

h. source, byproduct, or special nuclear materials or any other material, article, data, or thing of value the transfer of which is subject to the Atomic Energy Act of 1954 (title 42, United States Code, section 2011, *et seq.*).

ARTICLE III DEFINITIONS

As used in this Agreement and in any implementing arrangements that provide specific procedures, the following definitions apply:

a. Logistic support, supplies and services. Food, water, billeting, transportation

(including airlift), petroleum, oils, lubricants, clothing, communication services, medical services, ammunition, base operations support (and construction incident to base operations support), storage services, use of facilities, training services, spare parts and components, repair and maintenance services, calibration services, and port services. Such term also includes the temporary use of general purpose vehicles and other nonlethal items of military equipment which are not designated as significant military equipment on the U.S. Munitions List.

b. Implementing Arrangement. A written supplementary agreement related to the specific acquisition and/or transfer of logistic support, supplies, and services, which sets forth additional details, terms and conditions which further define and carry out this Agreement.

c. Order. A written request, in an agreed format and signed by an authorized individual, for the provision of specific logistic support, supplies, and services pursuant to this Agreement and any applicable implementing arrangement.

d. Invoice. A document from the supplying Party which requests reimbursement or payment for specific logistic support, supplies, and services rendered pursuant to this Agreement and any applicable implementing arrangements.

e. Transfer. Selling (whether for payment in currency, replacement-in-kind, or exchange of supplies or services of equal value), leasing, loaning, or otherwise temporarily providing logistic support, supplies, and services under the terms of this Agreement.

f. Replacement-in-kind. An exchange transaction conducted under this Agreement in which the receiving Party replaces logistic support, supplies, and services which it has received with logistics, support, and services of an identical, or substantially identical, nature.

g. Equal Value Exchange. An exchange transaction conducted under this Agreement in which the receiving Party replaces logistic support, supplies, and services which it has received with logistic support, supplies, and services of an equal monetary value.

h. United States Munitions List. U.S. Defense articles and defense services that are designated by the U.S. President under the Arms Export Control Act as subject to export and import controls. The U.S. Munitions list is published in Part 121 of Title 22 of the U.S. Code of Federal Regulations

i. Peace Support Operations. A broad term that encompasses operations, the action of a force which aids, protects, complements, or sustains another force in accordance with a directive requiring such action conducted in support of diplomatic efforts to establish and maintain peace.

**ARTICLE IV
TERMS AND CONDITIONS**

1. Each Party shall make its best efforts, consistent with national policies and priorities, to satisfy requests from the other Party under this Agreement for logistic support, supplies, and services.-When an implementing arrangement contains a stricter standard for satisfying such requests, it shall apply over this paragraph.
2. Transfer of logistic support, supplies, and services between the Parties shall be accomplished by orders issued and accepted under this Agreement and any applicable implementing arrangements.
3. An order may be issued against this Agreement alone without an implementing arrangement only when logistic support, supplies, or services are urgently required, provided the Parties (or their designated representatives) agree.
4. Headquarters, U.S. European Command (HQ USEUCOM), the Headquarters of other U.S. Unified Commands, or their designated subordinate commands may negotiate implementing arrangements under this Agreement on behalf of the U.S. Department of Defense. Implementing arrangements may be negotiated by the Swedish Armed Forces Headquarters. Implementing arrangements must identify points of contact (POCs) and their specific authorizations or limitations.
5. When operations are conducted outside USEUCOM, or with U.S. forces from another unified command, the respective USEUCOM Service Components will assist in processing the requirement with Sweden.
6. Whether the transfer is accomplished by an order under this Agreement alone or in conjunction with an implementing arrangement, the documents taken together must set forth all necessary details, terms, and conditions to carry out the transfer as listed in the Annex.
7. In all transactions involving the transfer of logistic support, supplies, and services, the receiving Party agrees that such logistic support, supplies, and services shall not be re-transferred, either temporarily or permanently, by any means to other than the forces of the receiving Party without prior written consent of the supplying Party.

**ARTICLE V
REIMBURSEMENT**

1. For any transactions undertaken pursuant to this Agreement, the Parties shall negotiate for payment either in cash in the currency specified by the supplying Party (a "reimbursable transaction") or in equal value to be defined in monetary terms only (an "exchange transaction"). The receiving Party shall pay the supplying Party under the conditions set out in either paragraph 1a or 1b of this Article.

a. Reimbursable Transaction. The supplying Party shall submit invoices to the receiving Party after delivery or performance of the logistic support, supplies, and services shall be accompanied by necessary support documentation and will normally be paid within 30 days of the date received. Each Party, however, shall provide for the final payment of outstanding accounts not less frequently than every 12 months. In pricing a reimbursable transaction, the Parties agree to the following reciprocal pricing principles:

(1) In the case of specific acquisition by the supplying Party from its contractors for a receiving Party, the price shall be no less favorable than the price charged the armed forces by the contractor of the supplying Party for identical items or services, less any amounts excluded by Article VI of this Agreement. The price charged may take into account differentials due to delivery schedules, points of delivery, and other similar considerations.

(2) In the case of transfer from the supplying Party's own resources, the supplying Party shall charge the same price it charges its own forces for identical logistic support, supplies, and services, as of the date the order is accepted, less any amounts excluded by Article VI of this Agreement. In any case where a price has not been established or charges are not made for one's own forces, the Parties shall agree on a price in advance, excluding charges that are precluded under these reciprocal pricing principles.

b. Exchange Transaction. Both Parties shall maintain records of all transactions. The receiving Party shall pay by transferring to the supplying Party logistic support, supplies, and services that are agreed between the Parties to be of equal monetary value to the logistic support, supplies, and services delivered or performed by the supplying Party. If the receiving Party does not complete the exchange within the terms of a replacement schedule agreed to or in effect at the time of the original transaction, within time frames which may not exceed one (1) year from the date of the original transaction, the transaction shall be deemed reimbursable and governed by paragraph 1a above, except that the price shall be established using actual or estimated prices in effect on the date payment would otherwise have been due. Exchange transactions may be by replacement-in-kind or equal-value-exchange.

2. When a definitive price for the order is not agreed upon in advance, the Order, pending agreement on final price, shall set forth a maximum limitation of liability for the Party ordering the logistic support, supplies, and services. The Parties shall then promptly enter into negotiation

to establish the final price.

3. The invoice shall contain an identification of the applicable implementing arrangement or in the absence thereof, refer to this Agreement and shall be in the format set forth by the supplying organization. The invoice shall be accompanied by evidence of receipt by the Party receiving the logistic support, supplies, and services.

4. The Parties agree to provide documentation to verify, when applicable, that reciprocal pricing principles have been followed and prices do not include waived or excluded costs. Points of contact will be identified on each Implementing Arrangement to validate expenses or research charges on an as-required basis.

5. No provision in this Agreement shall serve as a basis for an increased charge for logistic support, supplies, and services, if such logistic support, supplies, and services would be available without charge or for a lesser charge under the terms of another agreement.

ARTICLE VI WAIVED OR EXCLUDED COSTS

The provisions of any tax and customs relief agreements applicable to the acquisition of materials, services, supplies, and equipment by the receiving Party shall apply to logistic support, supplies and services transferred under this Agreement. The Parties shall cooperate to provide proper documentation to maximize tax and customs relief. The supplying Party shall inform the ordering Party whether the price charged for logistic support, supplies, or services includes taxes or customs duties which the supplying Party cannot recover, in such cases, the price paid by the receiving Party shall include only those taxes or customs duties not recoverable by the supplying Party.

ARTICLE VII INTERPRETATION AND REVISION

1. Any disagreements regarding the interpretation or application of this Agreement, or any Implementing Arrangements, or transactions executed hereunder shall be resolved through consultation between the Parties and shall not be referred to any international tribunal or third party for settlement.

2. Either Party may, at any time, request revision of this Agreement by giving the other Party 90 days' advance written notice. In the event such a request is made, the two Parties shall promptly

enter into negotiations. This Agreement may only be amended by written agreement between the Parties.

3. Classified information and material provided or generated pursuant to this Agreement shall be protected in compliance with the General Security of Military Information Agreement between the United States and the Kingdom of Sweden of 23 December 1981.

ARTICLE VIII EFFECTIVE DATE AND TERMINATION

This Agreement, which consists of a Preamble, Articles I-VIII, and an Annex, shall become effective on the date of the final signature. It shall remain in effect for a period of ten years unless terminated by mutual consent or by either Party giving not less than 180 days notice in writing to the other Party, and shall be automatically extended annually thereafter unless either Party notifies the other in writing 180 days in advance of its intent to terminate the Agreement. Notwithstanding termination of this Agreement, all reimbursement obligations incurred pursuant to its terms shall remain binding on the responsible Party until paid.

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

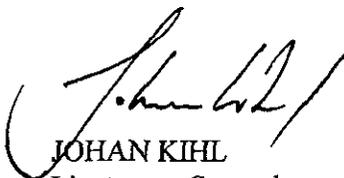
DONE in duplicate in the English language.

**FOR THE DEPARTMENT OF
DEFENSE OF THE UNITED STATES**



EDWARD L. LAFOUNTAINÉ
Major General, USAF
Director of Logistics and
Security Assistance

FOR THE SWEDISH ARMED FORCES



JOHAN KIHΛ
Lieutenant General
Director of Strategic Plans and
Policies Directorate

Place: Stuttgart, Germany

Date: 28 August 2003

Place: STOCKHOLM, SWEDEN

Date: 11. SEPT 2003

ANNEX
MINIMUM ESSENTIAL DATA ELEMENTS

- (1) Implementing Arrangements or support Agreement if no Implementing Arrangement
- (2) Date of Order
- (3) Designation and address of office to be billed
- (4) Numerical listing of stock numbers of items, if any
- (5) Quantity and description of material/services requested
- (6) Quantity furnished
- (7) Unit of measurement
- (8) Unit price in currency of billing country
- (9) Quantity furnished (6) multiplied by unit price (8)
- (10) Currency of billing country
- (11) Total order amount expressed in currency of billing country
- (12) Name (typed or printed), signature, and title of authorized ordering or requisitioning representative.
- (13) Payee to be designated on remittance
- (14) Designation and address of office to receive remittance
- (15) Recipient's signature acknowledging service or supplies received on the order or requisition or a separate supplementary document
- (16) Document number of order or requisition
- (17) Receiving organization
- (18) Issuing organization
- (19) Transaction type
- (20) Fund citation or certification of availability of funds when applicable under Parties' procedures
- (21) Date and place of original transfer; in the case of an exchange transaction, a replacement schedule including time and place of replacement transfer
- (22) Name, signature and title of authorized acceptance official
- (23) Additional special requirements, if any, such as transportation, packaging, etc.
- (24) Limitation of government liability

(25) Name, signature, date and title of supplying Party official who actually issues supplies or services.