

SECTION XV

CUSTOMS DUTIES, TAXES, AND SIMILAR CHARGES

15.1. 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 Project.

15.2. Each Participant will endeavor 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 over and above that Participant's shared cost of the Project.

15.3. Each European Union (EU) recipient Participant will settle any customs duties or similar charges which may become due to the EU in order to comply with EU legislation in respect of parts, components, and equipment needed for the Project and for which the Participant will be the final consignee. Any such charges will be borne by the EU recipient Participant as a cost over and above that Participant's shared cost of the Project.

SECTION XVI

SETTLEMENT OF DISPUTES

16.1. Disputes among the Participants arising under or relating to this MOU will be resolved only by consultation among the Participants and will not be referred by any Participant to a national court or tribunal, to an international court or tribunal, or to any other person or entity for settlement.

SECTION XVII

LANGUAGE

17.1. The working language for the Project will be the English language; however, working discussions may be conducted in any convenient language.

17.2. All data and information generated under this MOU and its implementing Contracts and provided by one Participant to the other Participants will be furnished in the English language, unless otherwise directed by the SC.

17.3. At the request of any SC Member, SC official decision sheets and meeting records will be issued in French as well as English.

SECTION XVIII

GENERAL PROVISIONS

18.1. All activities of the Participants under this MOU will be carried out in accordance with their national laws, and the responsibilities of the Participants will be subject to the availability of funds for such purposes.

18.2. No requirement will be imposed by any Participant for worksharing or other industrial or commercial compensation in connection with this MOU that is not in accordance with this MOU.

18.3. In the event of a conflict between a Section of this MOU and any Annex to this MOU, the Section will take precedence.

SECTION XIX

AMENDMENT, WITHDRAWAL, TERMINATION, ENTRY INTO EFFECT AND DURATION

19.1. This MOU may be amended only by the unanimous written consent of the Participants, except that Annex C (Personnel Assignments) may be amended by the SC.

19.2. This MOU may be terminated at any time upon the unanimous written consent of the Participants. In the event 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.

19.3. Any Participant may withdraw from this MOU upon 120 days written notification to the other Participants. Such notice will be the subject of immediate consultation by the SC to decide upon the appropriate course of action. In the event of such withdrawal, the following rules apply:

- 19.3.1. The withdrawing Participant will continue participation, financial and otherwise, up to the effective date of withdrawal;
- 19.3.2. The withdrawing Participant will pay any Contract modification or termination costs incurred under Contracts for this Project that would otherwise not have been incurred but for the decision to withdraw from this MOU. However, the total financial contribution by any withdrawing Participant, including Contract modification or termination costs, will in no event exceed the amount the withdrawing Participant would have contributed had it remained in the ISS Phase;
- 19.3.3. All Project Information and rights therein received under the provisions of this MOU prior to the withdrawal will be retained by the Participants, subject to the provisions of this MOU; and
- 19.3.4. The remaining Participants may request that the withdrawing Participant continue to make available to the remaining Participants, under separate written arrangements, any Project Equipment that it had provided to the other Participant(s). In addition, the withdrawing Participant will deliver to the remaining Participants any jointly acquired Project Equipment in its possession. Upon disposal of Project Equipment jointly acquired prior to its withdrawal, the withdrawing Participant will receive its share of the proceeds, in accordance with Sections 7.6 and 19.4.

19.4. The respective rights and responsibilities of the Participants regarding Section VII (Project Equipment), Section VIII (Disclosure and Use of Project Information), Section IX (Controlled Unclassified Information), Section XI (Security), Section XII (Third Party Sales and Transfers),

Section XIII (Liability and Claims) and Section XVI (Settlement of Disputes), will continue notwithstanding termination of, withdrawal from, or expiration of this MOU.

19.5. This MOU, which consists of the Introduction, nineteen (19) Sections and three (3) Annexes, will enter into effect upon signature by all Participants and will remain in effect for five years. It may be extended by the unanimous written consent of the Participants.

19.6. This MOU is written in the English and French languages, each text being equally authentic.

The foregoing represents the understandings reached among the Participants on the matters referred to herein. Signed by the authorized representatives of the Participants:

FOR THE MINISTER OF
NATIONAL DEFENCE OF
CANADA:

Signature

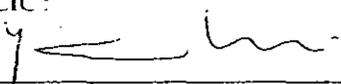
Name

Title

Date

Location

FOR THE MINISTER OF DEFENSE AND
WAR VETERANS OF THE FRENCH
REPUBLIC:



Signature

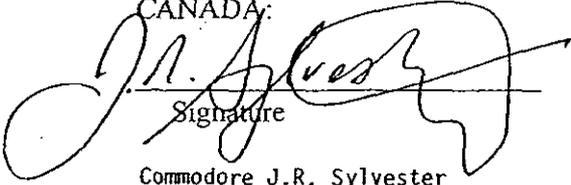
Le délégué général pour l'armement
Yves GLEIZES

Title

Date **02 JUIL. 2002**

Location

FOR THE MINISTER OF
NATIONAL DEFENCE OF
CANADA:


Signature

Commodore J.R. Sylvester

Name
Director General Maritime
Equipment Program Management

Title

27 June 2002

Date

Ottawa, Canada

Location

FOR THE MINISTER OF DEFENSE AND
WAR VETERANS OF THE FRENCH
REPUBLIC:

Signature

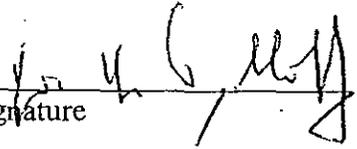
Name

Title

Date

Location

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


Signature

Dr. H. Rudloff

Name

EDirBWB

Title

13. Juni 2002

Date

Koblenz

Location

FOR THE MINISTRY OF DEFENSE OF THE
ITALIAN REPUBLIC:

Signature

Name

Title

Date

Location

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

Signature

Name

Title

Date

Location

FOR THE MINISTRY OF DEFENSE OF THE
ITALIAN REPUBLIC:



Signature

GIAMPAOLO DI PAOLA

Name

SECRETARY GENERAL FOR DEFENSE
DIRECTOR OF NATIONAL ARRANGEMENT

Title

20 June 2002

Date

Rome

Location

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

Susan Scholfield

Signature

SUSAN SCHOLFIELD

Name

DPA - EXECUTIVE DIRECTOR 6

Title

18 June 2002

Date

ABBAY WOOD, UK.

Location

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

Signature

Name

Title

Date

Location

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

Signature

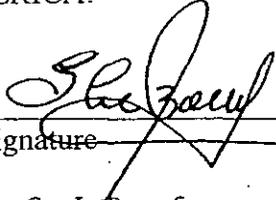
Name

Title

Date

Location

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



Signature

G. G. LeBoeuf

Name

Assistant Deputy Assistant
Secretary of the Navy (International Programs)

Title

2 July 2002

Date

Washington D.C.

Location

Annex A

PERSONNEL IN THE PROJECT MANAGEMENT OFFICE

1.0. Purpose and Scope.

- 1.1. This Annex establishes the provisions for personnel assigned to work in the PMO in accordance with Section IV (Management (Organization and Responsibility)). The PM and NILE Cooperative Project Personnel (CPP) will be assigned in accordance with paragraphs 4.6 and 4.7 respectively. The PM's responsibilities are specified in paragraph 4.10. The PM will be responsible for the creation of a document describing the duties for each CPP position, which will be subject to the approval of the SC. Commencement of assignments of CPP will be subject to the requirements of the Host Participant or its Government pertaining to immigration and visit requests. The SC will determine the length of tour for the CPP prior to assignment.
- 1.2. The PM and CPP will be assigned to the PMO for Project work. The PM will report to the SC and the CPP will report to the PM regarding that work. CPP may act as liaison officers on non-Project work on a case-by-case basis, if authorized by the Host Participant upon the request of the CPP's Participant. Such personnel may act from time to time on behalf of their respective SC member if the latter so authorizes in writing.
- 1.3. CPP will not be assigned to positions that would require them to exercise responsibilities that are reserved by law or regulation to an officer or employee of the Host Participant's government.

2.0. Security.

- 2.1. The SC will establish the level of security clearance required to permit personnel to have access to Classified Information and facilities in which Classified Information is used in accordance with the Program Security Instruction (PSI) and Classification Guide (CG). Access to Classified Information and facilities in which Classified Information is used will be consistent with, and limited by, Section II (Objectives) and Section III (Scope of Work) and will be kept to the minimum required to accomplish the work assignments.
- 2.2. The CPP's Participants will file visit requests through their respective embassies in Washington in compliance with established Host Participant's procedures.
- 2.3. The Participants will use their best efforts to ensure that the personnel of all Participants assigned to the PMO are briefed in accordance with the provisions

of the PSI, and understand and comply with the applicable laws and regulations pertaining to Controlled Unclassified Information and Classified Information as well as the requirements of Section IX (Controlled Unclassified Information), Section X (Visits to Establishments), Section XI (Security), and paragraph 19.4 of Section XIX (Amendment, Withdrawal, Termination, Entry into Effect, and Duration) and the PSI and CG. Prior to commencing assigned duties, the PM and CPP will, as required by the laws, regulations, policies, or procedures of the Host Participant's government, sign certifications concerning their respective conditions and responsibilities. Such certifications will be included as an appendix to the PSI following the provisions of paragraphs 4.5.8 and 4.10.11.

- 2.4. Upon or shortly after a CPP's arrival, the PM will be responsible for informing CPP about applicable laws, orders, regulations, and customs and the need to comply with them. Personnel assigned to the PMO will at all times be required to comply with the security and export control laws, regulations and procedures of the Host Participant's government. Any violation of security procedures by such personnel during their assignment will be reported to their respective Participant for appropriate action. Such personnel committing significant violations of security and export control laws, regulations, or procedures during their assignments will be withdrawn from the Project. Each Participant will determine the applicability of appropriate administrative or disciplinary actions to its own personnel according to its own laws, regulations and procedures.
- 2.5. All Classified Information made available to personnel assigned to the PMO will be considered as Classified Information furnished to their respective Participant and will be subject to all of the provisions and safeguards provided for in Section XI (Security) and the PSI and the CG.
- 2.6. CPP will not have personal custody of Classified Information or Controlled Unclassified Information, unless approved by the PM and as authorized by their respective Participant on a case-by-case basis. They will be granted access to such Information in accordance with Section IX (Controlled Unclassified Information) and Section XI (Security) and the provisions of the PSI during normal duty hours or when access is necessary to perform Project work.
- 2.7. Personnel assigned to the PMO will not serve as a conduit between Participants for requests for and/or transmission of Classified Information or Controlled Unclassified Information other than as specifically authorized in the PSI.

3.0. Administrative Matters.

- 3.1. Subject to applicable multilateral and bilateral treaties and agreements of the governments of the Participants, CPP and their authorized dependents will be accorded:

- 3.1.1. Exemption from any taxes of the Host Participant's government upon income received from their respective Participant; and
 - 3.1.2. Exemption from any customs and import duties or similar charges of the Host Participant's government levied on items entering the country for their official or personal use, including their baggage, household effects, and private motor vehicles, and export duties levied on those same items when they leave the country.
- 3.2. CPP will be provided with briefings arranged by the PM regarding applicable 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 Participant medical facilities, subject to applicable laws, regulations, treaties and arrangements of the Host Participant's government, including those relating to any reimbursement requirements;
 - 3.2.2. Purchasing and patronage privileges at military commissaries, exchanges, theaters and clubs for CPP and their dependents, subject to applicable laws and regulations; and
 - 3.2.3. Responsibility of CPP and those dependents accompanying them to obtain motor vehicle liability insurance coverage in accordance with laws and regulations applicable in the area where they are residing. In case of claims involving the use of private motor vehicles by CPP and their dependents, the recourse will be against such insurance.
- 3.3. The PM will, in consultation with the CPP, prepare and issue standard operating procedures 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 or civilian personnel regulations and practices of the Host Participant and the respective Participant;
 - 3.3.3. Dress regulations, consistent to the extent possible with the military or civilian personnel regulations and practices of the Host Participant and the respective Participant; and
 - 3.3.4. Performance evaluations, recognizing that such evaluations must be rendered in accordance with the respective Participant's military or civilian personnel regulations and practices.

- 3.4. Personnel assigned to the PMO committing an offense under the laws of either the Host Participant's government or the applicable CPP's government may be withdrawn from this Project. The personnel's respective Participant will determine the applicability of administrative or disciplinary actions according to its own laws, regulations, and procedures. Disciplinary action will not be taken by the Host Participant against CPP, nor will CPP exercise disciplinary authority over Host Participant personnel. In accordance with laws, regulations, and procedures of the Host Participant's government, the Host Participant will assist the respective Participant, if so requested, in carrying out investigations of offenses involving CPP.

ANNEX B

NILE IN-SERVICE SUPPORT PHASE

ESTIMATED ALLOCATION OF COST CEILING
(Then Year US Dollars)

1. For planning purposes, the estimated allocation of the Cost Ceiling is as follows:

	FY02	FY03	FY04	FY05	FY06	FY07	TOTAL
CA	100,000	380,923	370,212	382,284	394,021	267,356	1,894,796
FR	100,000	380,923	370,212	382,284	394,021	267,356	1,894,796
GE	100,000	380,923	370,212	382,284	394,021	267,356	1,894,796
IT	100,000	380,923	370,212	382,284	394,021	267,356	1,894,796
UK	100,000	380,923	370,212	382,284	394,021	267,356	1,894,796
US	100,000	380,923	370,212	382,284	394,021	267,356	1,894,796
Total	600,000	2,285,538	2,221,272	2,293,704	2,364,126	1,604,136	11,368,776

ANNEX C

NILE IN-SERVICE SUPPORT PHASE

PERSONNEL ASSIGNMENTS

1. For planning purposes, the PMO personnel assignment rotation is as follows:

ISS Phase Months 1-30: Italy and Germany

ISS Phase Months 19-48: UK

ISS Phase Months 31-60: France and Canada

2. The cost for thirty person-months of contract services provided under the provisions of paragraph 4.9 is estimated to be US \$300,000 (Fiscal Year 2001).