

AGREEMENT  
BETWEEN  
THE DEPARTMENT OF DEFENSE  
OF THE UNITED STATES OF AMERICA  
AND THE  
FEDERAL MINISTRY OF DEFENSE OF THE FEDERAL REPUBLIC  
OF GERMANY  
FOR THE  
PRODUCTION OF THE ROLLING AIRFRAME MISSILE (RAM) BLOCK 1 AND BLOCK 1  
HELICOPTER AIRCRAFT SURFACE (HAS) UPGRADE SYSTEMS

CERTIFIED TO BE A TRUE COPY



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## PREAMBLE

The Department of Defense of the United States of America (DOD) and the Federal Ministry of Defense of the Federal Republic of Germany (FMOD), 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;

Having a mutual need for the production of Rolling Airframe Missile (RAM) Block 1 Guided Missile Weapons System (GMWS) and Block 1 Helicopter Aircraft Surface (HAS) Upgrade GMWS to satisfy common operational requirements; and

Recognizing the success of previous RAM MOUs:

- Memorandum of Understanding among the Government of the United States of America represented by the United States Navy and the Government of the Federal Republic of Germany represented by the Federal Ministry of Defense Concerning Cooperative Development of an Advanced Surface-to-Air Missile System dated July 22, 1976.

- Memorandum of Understanding among the Government of the United States of America, represented by the United States Navy, the Government of the Federal Republic of Germany represented by the Federal Ministry of Defense and the Government of Denmark, represented by the Ministry of Defense Concerning Cooperative Full-Scale Engineering Development of an Advanced Surface-to-Air Missile System dated May 18, 1979.

- Memorandum of Understanding between the United States of America represented by the Department of the Navy and The Government of the Federal Republic of Germany Represented by the Federal Ministry of Defense Concerning Cooperative Production of the EX-31 Guided Missile Weapon System dated August 3, 1987, (short title: Block 0 MOU);

- Agreement between the Department of Defense of the United States of America and the Ministry of Defense of the Federal Republic of Germany concerning Cooperative Engineering and Manufacturing Development of the RAM Block I Upgrade to the MK-31 Guided Missile Weapon System dated March 27, 1996, and Amendment I dated October 21, 1998 (Short title: Block I EMD and HAS Upgrade Agreement);

Have agreed as follows:

## ARTICLE I

### DEFINITIONS

The Parties have agreed upon the following definitions for terms used in this Agreement:

Block 1	The modification to the Block 0 Guided Missile Round Pack (GMRP) which allows for Infrared all-the way guidance mode to the seeker while maintaining original RF/IR capabilities; and the upgrade to the Guided Missile Launching System which adds the capability to fire Block 0 and Block 1 missiles.
Block 1 HAS Upgrade	The modifications to the RAM Block 1 Guided Missile Weapons System (GMWS) which adds the capability to engage helicopter, fixed wing aircraft and small surface craft targets.
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.
Computer Software	Computer programs, source code, source code listings, design details, algorithms, processes, flow charts, formulae, and related materials that would enable the software to be reproduced, recreated, or recompiled. Computer Software does not include Computer data bases or Computer Software Documentation.
Contract	Any mutually binding legal relationship which 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 Agreement, the information shall be marked to identify its "in confidence" nature. It could include information which has been declassified, but remains controlled.
Cost Ceiling	The maximum amount to which the shared Financial and Non-financial Cost may move without the prior written approval of the Parties.
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 Agreement.
Financial Costs	Project costs met with monetary contributions.
Initial Operational Capability	That date when the first unit or units of a system are fielded, have completed testing, and are determined to be ready for deployment and operational field support.
Non-financial Costs	Project costs met with non-monetary contributions.
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	A cooperative U.S./German program for production of the Rolling Airframe Missile (RAM) Block 1 and Block 1 HAS Upgrade Systems.
Project Background Information	Information not generated in the performance of the Project.

Project Equipment	Any material, equipment, end item, subsystem, component, special tooling or test equipment jointly acquired or produced for use in the Project.
Project Foreground Information	Project Information generated in the performance of the Project.
Project Information	Any information provided to, generated in, or used in this 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 made (conceived or "first actually reduced to practice") in the course of work performed under the 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 plan that provides a description of the Project's delivery requirements and milestones.
Special Tooling	Jigs, dies, fixtures, molds, patterns, tapes, gauges, other equipment and manufacturing aids, and all components of these items, which are of such a specialized nature that without substantial modification or alteration their use is limited to the development or production of particular supplies or parts thereof or to the performance of particular services and excluding material, special test equipment, facilities (except foundations and similar improvements necessary for installing special tooling) general or special machine tools or similar capital items.
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

### OBJECTIVE(S)

2.1. The objectives of this Project are:

2.1.1. To efficiently produce the RAM Block 1 GMWS and Block 1 HAS Upgrade GMWS, and associated materials and equipment to achieve standardization and interoperability.

2.1.2. To efficiently produce the launcher Ordnance Alteration (ORDALT) kits and missile retrofit kits, and associated materials and equipment to upgrade the existing RAM GMWS to the RAM Block 1 and Block 1 HAS Upgrade configurations.

2.1.3. To effectively utilize available industrial, technical and scientific resources of the Parties to achieve the mutual objective of reducing overall production and procurement costs of the RAM Block 1 GMWS and Block 1 HAS Upgrade GMWS.

## ARTICLE III

### SCOPE OF WORK

- 3.1. The cooperative Project carried out under this Agreement includes the following activities:
  - 3.1.1. Production of RAM Block 1 GMWS and Block 1 HAS Upgrade GMWS which meets the requirements set forth in the Weapon Systems Specifications 18925, 18926, and 19622 and revisions thereto, their subsystems and components; ORDALT kits, upgrade kits and associated product improvements; related special tooling and test equipment, and technical data and computer software;
  - 3.1.2. Upgrade of RAM Guided Missile Round Pack (GMRP) to RAM Block 1 and Block 1 HAS Upgrade configurations;
  - 3.1.3. Qualification testing of production sources;
  - 3.1.4. Production configuration management of those items stated in paragraphs 3.1.1. and 3.1.2.;
  - 3.1.5. Development, initial production and updating of life cycle elements until both Parties have obtained Initial Operational Capability (IOC). These elements include, but are not limited to, spare parts, test equipment, technical data, training materials, and technical support for RAM Block 1 GMWS and Block 1 HAS Upgrade GMWS; and
  - 3.1.6. Production engineering, production support and support services.
- 3.2. The planning estimates of procurement quantities for the RAM Block 1 and Block 1 HAS Upgrade Guided Missile Launching System (GMLS), GMRP, ORDALT kits and upgrade kits (both annual and total program) required by each Party are contained in Annex A (Planned Production Quantities and Cost Estimate). These procurement quantities are subject to each Party's respective authorization and appropriation procedures and are subject to change. Each Party, at least annually, will update in writing and provide to the SC, an Ordering Memorandum (OM) in accordance with Annex B (Procedures for Transfer within the RAM Project) summarizing its procurement requirements. In addition, a Cooperative Project Ordering Agreement (CPOA), if required, will accompany each OM in accordance with Annex B (Procedures for Transfer with the RAM Project). Based on the combined procurement requirements of the Parties, combined procurements will be made considering any limitation of production capacity on the part of the producers, as well as the Party's priority for delivery and the most effective pricing conditions.

3.3. Each Party is responsible for the integration of RAM Block 1 and Block 1 HAS Upgrade GMLS ORDALT kits into their RAM GMLS.

3.4. RAMPO will facilitate technical assistance in support of U.S. or German requirements related to RAM Block 1 GMWS and Block 1 HAS Upgrade GMWS.

3.5. The Parties plan to install the RAM GMWS on various types of ships. Each Party is responsible for developing interfaces, as necessary, with its other shipboard systems.

3.6. Either Party that decides to undertake a follow-on development of the RAM GMWS that alters the basic characteristics or capabilities of the system or its major subsystems will, to the extent permitted in compliance with its national laws and disclosure policies, provide the other Party the opportunity to participate in such development under terms and conditions to be mutually agreed under future written agreement.

3.7. In-service support of the RAM Block 1 and Block 1 HAS Upgrade will be by separate agreement.

## ARTICLE IV

### MANAGEMENT (ORGANIZATION AND RESPONSIBILITY)

4.1. This Project shall be directed and administered on behalf of the Parties by an organization consisting of the RAM Steering Committee (SC), and the Rolling Airframe Missile Project Office (RAMPO). The RAMPO is headed by a Project Manager (PM). The SC shall have overall authority over the Project and the RAMPO, in accordance with this Agreement. The PM shall have primary responsibility for effective implementation, efficient management, and direction of the Project in accordance with this Agreement.

4.2. The SC shall consist of one representative appointed by each Party. The SC shall meet semi-annually with additional meetings held at the request of either representative. Each meeting of the SC shall be chaired by the representative of the Party hosting the meeting. Decisions of the SC shall be made unanimously. In the event that the SC is unable to reach a timely decision on an issue, each SC representative shall refer the issue to its higher authority for resolution. In the meantime, the approved Project Plan shall continue to be implemented without interruption under the direction of the PM while the issue is being resolved by higher authority.

4.3. The SC shall be responsible for:

4.3.1. Exercising executive-level oversight of the Project.

4.3.2. Reviewing progress in meeting Project requirements.

4.3.3. Reviewing the financial status of the Project to ensure compliance with the provisions of Article V (Financial Provisions) and Annex D (Financial Matters) of this Agreement.

4.3.4. Resolving issues brought forth by the RAMPO.

4.3.5. Reviewing and forwarding to the Parties for approval recommended amendments to this Agreement in accordance with Article XIX (Amendment, Termination, Entry Into Force, and Duration).

4.3.6. Approving amendments to Annexes of this Agreement consistent with Article XIX (Amendment, Termination, Entry Into Force, and Duration).

4.3.7. Approving revisions to Annex D within the Cost Ceiling.

4.3.8. Deciding on measures in case of workshare imbalances in accordance with Article VI (Workshare).

- 4.3.9. Reviewing and endorsing contracts and contract amendments drawn up by RAMPO prior to award or signature. The SC may delegate this responsibility to the RAMPO.
- 4.3.10. Approving plans to manage and control the transfer of Project Equipment provided by either Party to support the execution of the Project in accordance with Article VIII (Project Equipment).
- 4.3.11. Approving plans for the disposal of jointly acquired Project Equipment under this Agreement in accordance with Article VIII (Project Equipment).
- 4.3.12. Maintaining oversight of the security aspects of the Project, including reviewing and obtaining approval from the appropriate Designated Security Authority of a Project Security Instruction and a Classification Guide prior to the transfer of Classified Information or Controlled Unclassified Information.
- 4.3.13. Providing recommendations to the Parties for the addition of new Parties in accordance with Article XV (Participation of Additional Nations).
- 4.3.14. Monitoring Third Party sales and transfers authorized in accordance with Article XIII (Third Party Sales and Transfers).
- 4.3.15. Reviewing the semi-annual status report submitted by the RAMPO.
- 4.3.16. Reassigning, as necessary, the duties of RAMPO personnel identified in Annex C (RAMPO Organization).
- 4.3.17. Reducing, as necessary, the number of personnel identified in Annex C (RAMPO Organization).
- 4.3.18. Approving the Project Plan.

4.4. The RAMPO shall manage the Project. The Parties recognize that as a result of this Agreement, RAMPO personnel currently participating in the Block 0 MOU and Block 1 EMD and HAS Upgrade Agreement efforts will have other duties and responsibilities. The DOD shall appoint the PM, who, as head of the RAMPO, shall be responsible for implementing this Agreement and for day-to-day management of the Project. The PM will be assisted in his functions by a Deputy Project Manager (DPM) who will be appointed by the FMOD and who will be granted and delegated all authority necessary to perform his functions. The PM or DPM, in their absence, shall appoint a representative to act with all responsibility and authority.

4.5 Although the PM is ultimately accountable for the day-to-day management and execution of the joint program, the PM and the DPM shall jointly participate in the daily management of the joint program. All joint program related correspondence (incoming, outgoing, and internal)

received or issued by the PM will be brought to the DPM's attention and vice versa. All joint program decisions will be agreed to by the PM and DPM. Any lack of agreement or non-concurrence shall be referred to the SC for resolution. Commitment of German funding will be under the signature by the PM and DPM, or their respective designated representatives. Joint program files and other joint information stored in RAMPO shall be accessible without distinction to both Parties staff members who must comply with host nation security regulations or procedures.

4.6. The Parties agree to provide the personnel required to execute the Project in accordance with Annex C (RAMPO Organization). Each Party shall provide the personnel required within six (6) months of the effective date of this Agreement. Should a Party be unable to provide its contribution to the RAMPO at the required time or fails to replace its contribution of personnel within six (6) months of their departure, the PM shall have the authority to make alternative arrangements on behalf of and at the expense of that Party. Such alternative arrangements will be made only after consultation with the SC.

4.7. The PM, assisted by the DPM, shall be responsible for:

4.7.1. Managing the cost, schedule, performance requirements, technical, and financial aspects of the Project described in this Agreement.

4.7.2. Executing the approved Project Plan.

4.7.3. Developing and submitting any required changes to the approved Project Plan to the SC for approval.

4.7.4. Executing the financial aspects of the Project in accordance with Article V (Financial Provisions) and Annex D (Financial Matters) of this Agreement.

4.7.5. Referring issues to the SC that cannot be resolved by the PM.

4.7.6. Developing and recommending amendments to this Agreement and its Annexes to the SC.

4.7.7. Developing and implementing SC-approved plans to manage and control the transfer of Project Equipment provided by either Party in accordance with Article VIII (Project Equipment).

4.7.8. Developing and implementing SC-approved plans for the disposal of jointly acquired Project Equipment under this Agreement in accordance with Article VIII (Project Equipment).

- 4.7.9. Developing and forwarding to the SC a Project Security Instruction and a Classification Guide for the Project within three months after Agreement signature, and implementing them upon final approval.
- 4.7.10. Forwarding recommendations to the SC for the addition of new Parties in accordance with Article XV (Participation of Additional Parties).
- 4.7.11. Providing a semi-annual status report to the SC.
- 4.7.12. Exercising production configuration management.

## ARTICLE V

### FINANCIAL PROVISIONS

5.1 Each Party shall contribute its equitable share of the full Financial and Non-Financial costs of the Project, including overhead costs, administrative costs, and costs of claims, and shall receive an equitable share of the results of the Project. The U.S. dollar shall be the reference currency, and the Project fiscal year shall be the U.S. fiscal year. Germany shall meet its financial obligations under this Agreement by providing its financial contribution in U.S. Fiscal Year dollars.

5.2 Costs of production engineering and support and RAMPO administration shall not exceed a Cost Ceiling of \$98.68 million in 1999 U.S. dollars. This Cost Ceiling may only be changed by amendment to this Agreement in accordance with Section XIX (Amendment, Termination, Entry into Force, and Duration). The maximum U.S. contribution to the Cost Ceiling is \$52.814M and the maximum German contribution is \$45.866M. The financial and non-financial contributions required for these costs shall be shared as in accordance with Annex D (Financial Matters).

5.3 Those costs associated with production and related items and services intended solely and exclusively for use by a Party shall be paid by that Party. The Parties, by signing this Agreement, have signified their intent to procure RAM Block 1 GMWS and Block 1 HAS Upgrade GMWS quantities required to meet national requirements as detailed in Annex A. Each Party will furnish, through its SC member, annual updates to its estimated production requirements.

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

5.4.1 Costs associated with national representation at meetings by non-RAMPO members.

5.4.2 Cost for Special Tooling and Test Equipment.

5.4.3 Costs associated with any unique national requirements identified by a Party, beyond those described in paragraph 5.3.

5.4.4 Any other costs not expressly stated as shared costs or any costs that are outside the scope of this Agreement.

5.4.5 Costs incurred by the RAMPO to make alternative arrangement when a Party is unable to provide its personnel to the RAMPO.

5.4.6 Costs for its RAMPO personnel and their travel costs.

5.5 The RAMPO shall be responsible for establishing the detailed Financial Management and Procedures Document (FMPD) under which the Project will operate. These procedures, which must accord with the national accounting and audit requirements of the Parties, shall be prepared by the RAMPO and be subject to the approval of the SC.

5.6 In accordance with the SC approved FMPD, the RAMPO shall request funds to be provided by the Parties on a semi-annual basis approximately 90 days in advance of their being required. The Parties shall provide these funds not later than fifteen (15) days in advance of the quarter in which they are to be used. German funds shall be deposited into an interest bearing trust account that shall be established for the Project and shall be administered by the RAMPO.

5.7 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 the funding for this Project, both Parties shall immediately consult with a view toward continuation on a modified basis. Should a Party be unable to continue because of the absence of adequate funds, it shall unilaterally terminate this Agreement in accordance with Article XIX (Amendment, Termination, Entry into Force, and Duration), paragraph 19.5.

5.8 The RAMPO will maintain complete records of all work performed, obligations and commitments incurred, and monies received and expended and will ensure that the normal internal audit surveillance and checks of accounting and procurement procedures will be applied in accordance with the standard accounting practices of the U.S. The audit of the RAMPO financial information for the Project will be performed on an annual basis by the U.S. DOD on behalf of the Parties. Reports of such audits will be released without any restrictions to the Parties. Germany will assist the U.S. DOD on any audit elements required to satisfactorily perform the audit. Where German auditors need to obtain or to inspect specific Project financial data which in their view is relevant to being able to fulfill its national obligations, the U.S. DOD will grant access to such specific financial information.

5.9 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 Parties' 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 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.