

DEFENSE

Military Satellite Communications

**Memorandum of Understanding
Between the
UNITED STATES OF AMERICA
and CANADA**

Signed at Brussels November 16, 1999



NOTE BY THE DEPARTMENT OF STATE

Pursuant to Public Law 89—497, approved July 8, 1966
(80 Stat. 271; 1 U.S.C. 113)—

“ . . .the Treaties and Other International Acts Series issued under the authority of the Secretary of State shall be competent evidence . . . of the treaties, international agreements other than treaties, and proclamations by the President of such treaties and international agreements other than treaties, as the case may be, therein contained, in all the courts of law and equity and of maritime jurisdiction, and in all the tribunals and public offices of the United States, and of the several States, without any further proof or authentication thereof.”

CANADA

Defense: Military Satellite Communications

*Memorandum of understanding signed
at Brussels November 16, 1999;
Entered into force November 16, 1999.*

MEMORANDUM OF UNDERSTANDING

BETWEEN THE

DEPARTMENT OF DEFENSE
OF THE UNITED STATES OF AMERICA

AND THE

DEPARTMENT OF NATIONAL DEFENCE
OF CANADA

CONCERNING

DEVELOPMENT, DOCUMENTATION,
PRODUCTION AND INITIAL FIELDING OF

MILITARY SATELLITE COMMUNICATIONS
(MILSATCOM)

Dated 16 November 1999

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INTRODUCTION

The Department of Defense (DOD) of the United States of America and the Department of National Defence (DND) of Canada, hereinafter referred to as the "Participants:"

Having a common interest in defense;

Recognizing the benefits to be obtained from rationalization, standardization and interoperability of military equipment;

Seeking to make the best use of their respective research and development capacities, eliminating unnecessary duplication of work and obtain the most efficient and cost-effective results;

Recognizing the need to collectively develop emerging technologies to field technologically superior Military Satellite Communications (MILSATCOM) systems;

Having a mutual need for increased capacity on future MILSATCOM systems to satisfy common operational requirements;

Invoking the Agreement Between the Government of the United States of America and the Government of Canada Concerning the Establishment of Certain Mutual Defense Commitments, signed August 19, 1994;

Have reached the following understandings:

SECTION I

DEFINITIONS

The Participants have decided upon the following definitions for terms used in this Memorandum Of Understanding (MOU):

AEHF Program	A DOD MILSATCOM program to develop and field an Advanced Extremely High Frequency (AEHF) system which provides highly protected communications for strategic and tactical warfighters. These communications are characterized by jam-resistance, low probability of detection and intercept, hardening, and anti-scintillation.
Apportionment	The AEHF resources provided to US Commanders in Chief (CINCs) to plan, manage, and operate for the purpose of fulfilling their mission requirements.
Assured Access	The certainty that the agreed upon amounts of MILSATCOM resources are immediately available and accessible for the user when and where needed in accordance with this MOU and the Annex(es) thereto. Assured Access does not include loss of communications due to jamming, weather or atmospheric effects.
Baseline Apportionment	The AEHF resources allocated through the apportionment process, and guaranteed in the MOU and any Annex(es) thereto, that cannot be apportioned to other users of the AEHF system.
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.
Contracting Agency	The entity within the government organization of a Participant, which has authority to enter into, administer, and terminate contracts.
Contracting Officer	A person representing a Contracting Agency of a Participant who has the authority to enter into, administer, and terminate contracts.
Contractor	Any entity awarded a contract under the Project by a Participant'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 MOU, the information will be marked to identify its "in confidence" nature. It could include information which has been declassified, but remains

controlled.

Defense Purposes	Manufacture or other use in any part of the world by or for the armed forces of either Participant.
Designated Security Authority (DSA)	The security office approved by national authorities to be responsible for the security aspects of this MOU.
Ground Segment	Any component of the communications planning, network/resource control, or terminal segments as defined below: <i>Communications Planning:</i> The off-line planning of satellite and terminal resources for the purposes of allocation and optimization of user network requirements. <i>Network/Resource Control:</i> The on-line operational management of the aforementioned resources to ensure effective and continuing user communications within satellite, system, and operational constraints. <i>Terminal Segment:</i> The electronic and radio frequency equipment which provides point-to-point or networked satellite communications between users. The terminal segment includes terminals hosted on aircraft, ships and submarine platforms, installed at fixed sites and in ground mobile and transportable configurations, and packaged as man-portable units. Terminals are designed to operate in a specified frequency band(s).
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.
Program Manager	Individual assigned to lead a DOD MILSATCOM acquisition program.
Project	The cooperative effort by the DOD and the DND to jointly develop, produce, and field modifications to the AEHF satellite system to increase capacity, above the capacity funded by the DOD, to meet DOD and DND national needs. This effort is a subset of the AEHF Program.
Project Background Information	Information not generated in the performance of the Project.

Project Equipment	Any materiel, equipment, end item, subsystem, component, special tooling or test equipment jointly acquired or provided 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 the Project regardless of form or type.
Project Invention	Any invention or discovery formulated or made, either 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 Manager	Individual assigned to manage the Project.
Project Team Leader (PTL)	Individual assigned to lead the DND MILSATCOM acquisition project.
Protected Constellation	Constellation which consists of the remaining Milstar I and II satellites and the AEHF satellites.
Then-Year Dollars	Then-Year dollars represent amounts that will be paid for resources in the actual years in which payments will be made. A Then-Year dollar contains implicit adjustment for variation in the purchasing power of a dollar over time.
Third Party	A government other than the government of a Participant and any person or other entity whose government is not the government of a Participant.

SECTION II

OBJECTIVES

2.1. The objectives of the MOU are:

2.1.1. To cooperate on portions of the development, documentation, production, and initial fielding of future MILSATCOM systems, and to share the increased capacity delivered as a result of this cooperation in accordance with the provisions of this MOU and in accordance with Annex(es) to this MOU.

2.1.2. To establish technical and operational interoperability requirements and determine the means to meet these requirements during development of MILSATCOM systems in accordance with an Annex to this MOU.

2.1.3. To apportion satellite resources on the AEHF system for the DND in accordance with Annex A of this MOU.

2.1.4. To develop a follow-on MOU for cooperation on the operations and maintenance of the AEHF system (the "O&M MOU"). The apportionment of satellite resources set out in Annex A is based on the understanding that the DND will contribute equitably to the operations and maintenance of the system and will be set out in the O&M MOU.

2.1.5. To set the basis for long-term cooperation in MILSATCOM that is mutually beneficial.

2.2. This MOU does not preclude the Participants entering into any other bilateral or multilateral arrangements in the area of MILSATCOM systems.

SECTION III

SCOPE OF WORK

3.1. Implementation of this MOU will be through Annexes to this MOU. Annex A sets out the details for AEHF cooperation. The overall work to be undertaken under this MOU, as implemented by Annex(es) to this MOU, includes, but is not limited to the following:

3.1.1. Under DND lead, providing Canadian technical expertise in areas such as antennas, filters, routers, multiplexers, frequency converters, and other subsystems to achieve greater performance of MILSATCOM systems.

3.1.2. Developing the technical and operational requirements and solutions to enable DOD and DND users of MILSATCOM to be interoperable.

3.1.3. At DND's request, and in accordance with Section V (Financial Arrangements) and Section VI (Contractual Arrangements), the procurement by DOD of Ground Segment resources to satisfy DND requirements. Associated costs will be borne by the DND.

3.1.4. Making modifications to increase resources to satisfy Canadian national requirements while providing additional capability to DOD users. System description and resource sharing provisions for the AEHF system are detailed in Annex A.

3.1.5. Under DOD lead, with DND collaboration, developing, documenting, procuring, and initially fielding the Project to meet national and coalition requirements.

3.1.6. Under DOD lead, performing systems engineering on the Project to ensure national and interoperability requirements are met.

3.1.7. Performing comprehensive testing of Project components to ensure performance standards are met and the components will meet requirements. Resolution of anomalous satellite behavior will be conducted as set out in Annex A, Section 3.0, Resource Sharing Provisions.

3.2. Any cooperation between the DOD and the DND on future MILSATCOM systems will be subject to the negotiation and conclusion of satisfactory provisions either by an amendment to this MOU or by a separate arrangement.

SECTION IV

MANAGEMENT (ORGANIZATION AND RESPONSIBILITY)

4.1. The Project will be directed and administered on behalf of the Participants by an organization consisting of a Steering Committee (SC), and a DOD/DND Project Office (DPO) headed by a Project Manager. It is envisioned that DPO members will not be co-located, but will execute their duties from their respective host nation organizations. The SC will have overall authority over the Project Manager, in accordance with this MOU. The Project Manager will have primary responsibility for effective implementation, efficient management, and direction of the Project in accordance with this MOU.

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

4.3. The SC will be responsible for:

4.3.1. Exercising executive-level oversight of the Project.

4.3.2. Approving the Project Plan which provides a description of the Project's delivery requirements and milestones.

4.3.3. *Reviewing progress in meeting the additional system requirements resulting from this MOU.*

4.3.4. Financial oversight of the Project to ensure compliance with the provisions of Section V (Financial Arrangements) and approving the financial management procedures document and amendments thereto.

4.3.5. Resolving issues brought forth by the Project Manager, Program Manager(s), or Project Team Leader.

4.3.6. Maintaining oversight of the security aspects of the Project, including reviewing and obtaining approval from the appropriate Designated Security Authorities (DSAs) of a Project Security Instruction and a Classification Guide prior to the transfer of Classified Information or Controlled Unclassified Information.

4.3.7. Reviewing and forwarding to the Participants for approval recommended amendments to this MOU in accordance with Section XVII (Amendment, Termination, Entry Into Effect, and Duration).

4.3.8. Approving amendments to Annexes to this MOU consistent with Section XVII (Amendment, Termination, Entry Into Effect, and Duration).

4.3.9. Approving plans to manage and control the transfer of Project Equipment provided by either Participant to support the execution of the Project in accordance with Section VIII (Project Equipment).

4.3.10. Approving plans for the disposal of jointly acquired Project Equipment under this MOU in accordance with Section VIII (Project Equipment).

4.3.11. Monitoring Third Party sales and transfers authorized in accordance with Section XIII (Third Party Sales and Transfers).

4.3.12. Reviewing the semi-annual status report submitted by the Program Manager(s) and Project Manager.

4.3.13. Approving the duties and responsibilities of cooperative project personnel assigned to the DPO or other facilities contributing to the Project.

4.4. The USAF will appoint the Project Manager, who, as head of the DPO, will be responsible for implementing this MOU and its Annexes and for day-to-day management of the Project. Specifically, the Project Manager, assisted by the Project Team Leader or his/her designated representative, will be responsible for:

4.4.1. Managing the cost, schedule, performance requirements, technical, and financial aspects of the Project.

4.4.2. Preparing a *financial management procedures document* which establishes the detailed financial management procedures under which the Project will operate. These procedures, which must accord with the national accounting and audit requirements of the Participants, will be subject to the approval of the SC.

4.4.3. Implementing the financial aspects of the Project in accordance with Section V (Financial Arrangements) and the financial management procedures document.

4.4.4. Referring issues to the SC that cannot be resolved by the Project Manager.

4.4.5. Developing and recommending to the SC amendments to this MOU.

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

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

4.4.8. Providing a semi-annual status report to the SC.

4.4.9. Exercising configuration management during AEHF satellite development.

4.4.10. Exercising software management during AEHF satellite development.

4.4.11. Developing a Project Security Instruction and the Classification Guide.

4.5. In furtherance of the Project, the DOD and the DND may assign qualified personnel to each others' organizations contributing to the Project. Such personnel will be integrated into a program/project office of the other Participant and carry a portion of the workload associated with the Project. The Project Manager and Program Manager(s) will be given an opportunity to interview prospective DND personnel and may decline the assignment. The Project Team Leader will be given an opportunity to interview prospective DOD personnel and may decline the assignment. Provisions for personnel assigned to organizations of the other Participant are set out in Annex B, The Exchange of Cooperative Project Personnel.

SECTION V

FINANCIAL ARRANGEMENTS

5.1. Each Participant will contribute its equitable share of the full costs of the Project, including overhead costs, administrative costs, and costs of claims, and each Participant will receive an equitable share of the results of the Project, in accordance with the provisions of this MOU.

5.2. All dollar references in this MOU are US Then-Year Dollars.

5.3. The Participants estimate that the financial responsibilities under this MOU will be approximately \$3.678B. The DOD target contribution will be \$3.532B. The DND contribution will be \$146.2M. The DND contribution may not be changed, except upon the written agreement of the Participants. The Participants will use their best efforts to perform, or to have performed, the work specified in Section III (Scope of Work) and fulfill all the responsibilities under this MOU, within the amounts specified.

5.3.1. The costs will be shared as follows:

	<u>Participant</u>	<u>Percentage Share</u>
5.3.1.1. AEHF	DOD	95.7%
	DND	4.3%

5.4. Each Participant will make funds available in such amounts and at such times in accordance with the estimated schedule of financial contributions as described in the financial management procedures document. This document will include an estimated financial schedule for financial contributions which will be consistent with the funding requirements of paragraph 5.3..

5.5. The Participants recognize that it may become necessary for the DOD to incur contractual or other obligations for the benefit of the DND prior to receipt of DND funds. In the event that the DOD incurs such obligations, the DND will make funds available in such amounts and at such times as may be required by the terms of the contract or other obligation and will make them available in advance of the time such payments are due.

5.6. The following costs will be borne entirely by the Participant incurring the costs or on whose behalf the costs are incurred:

5.6.1. Costs associated with national representation at meetings.

5.6.2. Costs associated with any unique national requirements identified by a Participant.

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

5.7. The Project Manager will be responsible for establishing the detailed financial management procedures under which the Project will operate. These procedures, which must accord with the national accounting and audit requirements of the Participants, will be detailed in a financial management procedures document prepared by the Project Manager and subject to the approval of the SC.

5.8. A Participant will promptly notify the other Participant if it does not have adequate funds to fulfill its responsibilities under this MOU. If a Participant notifies the other Participant that it is terminating or reducing its funding for the Project, both Participants will immediately consult with a view toward continuation on a modified basis. In the event that the Participants mutually conclude, following consultation, that continuation on a modified basis is not practicable, then the provisions of Section XVII (Amendment, Termination, Entry into Effect, and Duration) will apply.

5.9. Each Participant will be responsible for internal audit scrutiny of the Project activities carried out by it, in accordance with its own national practices.

SECTION VI

CONTRACTUAL ARRANGEMENTS

6.1. The DOD (acting through the Department of the Air Force) will be responsible for contracting for the Project in accordance with US contracting laws, regulations and procedures, including Federal Acquisition Regulation and Defense Federal Acquisition Regulation Supplement provisions specifically relating to Canadian products or contractors. The Contracting Officer is the exclusive source for providing contractual direction and instructions to Contractors.

6.2. The Program Manager(s) will be responsible for the coordination of activities relating to the Project, and will cooperate with the Contracting Officer(s) in the areas of contract procedures, contract negotiation, evaluation of offers, and contract award. DND may send representatives to the proposal evaluation team(s), subject to the approval of the source selection authority(ies). The Program Manager(s) will review statements of work prior to the development of solicitations to ensure that they are in accordance with this MOU. The DOD will provide the DND the opportunity to review statements of work related to the Project prior to development of solicitations. In addition, the Contracting Officer(s) will keep the Program Manager(s) advised of all financial arrangements with the prime Contractors.

6.3. The Contracting Officer(s) will negotiate to obtain the rights to use and disclose Project Information required by Section IX (Disclosure and Use of Project Information). The Contracting Officer(s) will insert into contracts (and require its Contractors to insert in subcontracts) suitable provisions to satisfy the requirements of this MOU, including Section IX (Disclosure and Use of Project Information), Section X (Controlled Unclassified Information), Section XII (Security) and Section XIII (Third Party Sales and Transfers). During the contracting process, the Contracting Officer(s) will advise prospective Contractors of their responsibility to immediately notify the Contracting Agency, before contract award, if they are subject to any license or agreement that will restrict their freedom to disclose information or permit its use. The Contracting Officer(s) will also advise prospective Contractors to employ their best efforts not to enter into any new agreement or arrangement that will result in restrictions.

6.4. In the event the Contracting Officer(s) are unable to secure adequate rights to use and disclose Project Information as required by Section IX (Disclosure and Use of Project Information), or is notified by Contractors or potential Contractors of any restrictions on the disclosure and use of information, the matter will be referred to the SC for resolution.

6.5. The Contracting Officer(s) will immediately advise the Program Manager(s) of any cost growth, schedule change, or performance problems of any Contractor for which the Contracting Officer(s) are responsible.

SECTION VII

WORK SHARING

7.1. The Participants will work toward the goal that the work to be performed under this MOU will be shared in proportion to the cost contribution of the Participants to the maximum extent possible, consistent with high technical merit, reasonable cost, and the need to achieve the timely, economical, and efficient execution of the Project. This work will encompass those requirements contained in Section III (Scope of Work) of this MOU that are common to the Participants and are funded under the Project.

7.2. Sources from both nations will be permitted to bid on Project work. Each Participant will encourage its industries to provide competitive opportunities to sources from the other nation to participate in the work of the Project, provided such participation does not adversely impact the Project.

7.3. No requirement will be imposed by either Participant for work sharing or other industrial or commercial compensation in connection with this MOU that is not in accordance with this MOU.

SECTION VIII

PROJECT EQUIPMENT

- 8.1. Each Participant may loan without charge Project Equipment identified as being necessary for implementing this MOU. Approval for all loans will be in accordance with national procedures.
- 8.2. Project Equipment loaned will be used by the receiving Participant only for the purposes of carrying out this MOU. Project Equipment will remain the property of the providing Participant. In addition, the receiving Participant will maintain Project Equipment in good order, repair, and operable condition and will return it in operable condition and in as good condition as received, normal wear and tear excepted. The receiving Participant will bear the cost of any damage to (other than normal wear and tear) or loss of Project Equipment. In no event will such cost exceed replacement cost less an amount determined to represent reasonable wear and tear.
- 8.3. The Participants will make every effort to ensure that the Project Equipment is furnished in a serviceable and usable condition according to its intended purpose. However, the providing Participant makes no warranty or guarantee of fitness of the Project Equipment for a particular purpose or use, and make no commitment to alter, improve, or adapt the Project Equipment or any part thereof.
- 8.4. The providing Participant, at its expense, will deliver the Project Equipment to the receiving Participant at a mutually approved location(s). Responsibility for Project Equipment will pass from the providing Participant to the receiving Participant at time of receipt. Any further transportation is the responsibility of the receiving Participant.
- 8.5. The providing Participant will furnish the receiving Participant such information as is necessary to enable the Project Equipment to be used.
- 8.6. The receiving Participant will inspect and inventory the Project Equipment upon receipt. The receiving Participant will also inspect and inventory the Project Equipment prior to its return (unless the Project Equipment is to be expended or consumed).
- 8.7. The receiving Participant will return Project Equipment at its expense to the providing Participant at a mutually approved location. Any further transportation is the responsibility of the providing Participant.
- 8.8. The receiving Participant will provide written notice of consumption or expenditure of Project Equipment. In the event the intended consumption or expenditure does not occur, the receiving Participant will, unless otherwise determined by the providing Participant, return the Project Equipment to the providing Participant at a mutually approved location. Any further transportation is the responsibility of the providing Participant.

8.9. The Participants will ensure, by all reasonable means, the protection of intellectual property rights in Project Equipment.

8.10. Any Project Equipment which is jointly acquired on behalf of the Participants for use under this MOU will be disposed during the Project or when the Project ends as determined by the SC.

8.11. Disposal of jointly acquired Project Equipment may include a transfer of the interest of the Participants in such Project Equipment to one Participant, or the sale of such Project Equipment to a Third Party in accordance with Section XIII (Third Party Sales and Transfers). The Participants will share the consideration from jointly acquired Project Equipment transferred or sold to a Third Party in the same ratio as costs are shared under this MOU.

8.12. Project Equipment which cannot be identified at the time of MOU signature will be documented in a list to be developed and maintained by the Program Manager(s) in the format at Appendix 1 to Annex A.

8.13. In accordance with Section XIII (Third Party Sales and Transfers), Project Equipment will not be re-transferred by the receiving Participant to a Third Party without the prior written consent of the providing Participant.

SECTION IX

DISCLOSURE AND USE OF PROJECT INFORMATION

9.1. General

9.1.1. The Participants recognize that successful collaboration depends on full and prompt exchange of information necessary to carry out the Project and the use of its results. The nature and amount of Project Information to be acquired will be in accordance with this MOU and in particular Section II (Objectives), Section III (Scope of Work), and Section VI (Contractual Arrangements). Subject to the intellectual property rights the Participants are accorded under this MOU, title to Project Foreground Information generated by a Participant or its Contractor will reside with that Participant and/or its Contractors, in accordance with that Participant's national laws, regulations and policies.

9.2. Project Foreground Information

9.2.1. Disclosure: Project Foreground Information will be made available to each Participant without charge.

9.2.2. Use: Each Participant may use or have used Project Foreground Information without charge only for its Defense Purposes; use for any other purpose will be subject to the prior written consent of the other Participant. The Participant generating such information will also retain its rights of use thereto. The sale or other transfer to Third Parties of Project Foreground Information is subject to the provisions of Section XIII (Third Party Sales and Transfers) of this MOU. The Participants will acquire the legal rights to use Project Foreground Information generated by Contractors for any Third Party sale or transfer.

9.3. Project Background Information

9.3.1. Disclosure: Each Participant, upon request, will disclose to the other Participant, any relevant Project Background Information provided that:

9.3.1.1. Such Project Background Information is necessary to or useful in the Project, and the Participant in possession of the information will determine whether it is "necessary to" or "useful in" the Project;

9.3.1.2. Such Project Background Information may be made available without incurring liability to holders of proprietary rights; and

9.3.1.3. Disclosure is consistent with national disclosure policies and regulations of the furnishing Participant.

9.3.2. Use: Project Background Information disclosed by one Participant to the other may be used without charge by the other Participant for Project purposes only; however, the furnishing Participant will retain all its rights with respect to such Project Background Information.

9.4. Alternative Uses of Project Information

9.4.1. Any Project Background Information provided by one Participant will not be disclosed or used by the other Participant except for the purposes set forth in this MOU, unless otherwise consented to in writing by the providing Participant.

9.4.2. The prior written consent of the other Participant will be required for the disclosure or use of Project Foreground Information for purposes other than those provided for in this MOU.

9.5. Patents

9.5.1. Each Participant will include in its Project-related contracts a provision governing the disposition of rights in regard to Project Inventions and Patent rights relating thereto, which either;

9.5.1.1. Provides that the Participant will hold title to all Project Inventions together with the right to make Patent application for the same, free of encumbrance from the Contractor; or

9.5.1.2. Provides that the Contractor will hold title (or may elect to retain title) for Project Inventions together with the right to make Patent applications for the same, while securing for the Participant a license for the Project Inventions, and any Patents therefor, on terms in compliance with the provisions of paragraph 9.5.2. below.

9.5.2. In the event that a Contractor holds title (or elects to retain title) for a Project Invention, the contracting Participant will secure for the Participants non-exclusive, irrevocable, royalty-free licenses under all Patents secured for that invention, to practice or have practiced the patented Project Invention for Defense Purposes throughout the world.

9.5.3. Where a Participant has or can secure the right to file a Patent application with regard to a Project Invention, that Participant will consult the other Participant regarding the filing of such Patent application. The Participant having such rights will in other countries, file, cause to be filed, or provide the other Participant with the opportunity to file on behalf of the Participant holding such rights, or its Contractors, as appropriate, Patent applications covering any such Project Invention. If a Participant having filed or caused to be filed a Patent application decides to stop prosecution of the application, that Participant will notify the other Participant of that decision and permit the other Participant to continue the prosecution.

9.5.4. Each Participant will be furnished with copies of Patent applications filed and Patents granted with regard to Project Inventions.

9.5.5. Each Participant will grant to the other Participant a non-exclusive, irrevocable, royalty-free license under its Patents for Project Inventions, to practice or have practiced the Patent Project Invention for Defense Purposes throughout the world.

9.5.6. Patent applications which contain Classified Information, to be filed under this MOU, will be protected and safeguarded in accordance with the requirements contained in the NATO Agreement for the Mutual Safeguarding of Secrecy of Inventions Relating to Defense and for which Applications for Patents Have Been Made, signed on 21 September 1960, and its Implementing Procedures.

SECTION X

CONTROLLED UNCLASSIFIED INFORMATION

10.1. Except as otherwise provided in this MOU or authorized in writing by the originating Participant, *Controlled Unclassified Information* provided or generated pursuant to this MOU will be controlled as follows:

10.1.1. Such information will be used only for the purposes authorized for use of Project Information as specified in Section IX (Disclosure and Use of Project Information).

10.1.2. Access to such information will be limited to personnel whose access is necessary for the permitted use under subparagraph 10.1.1. above, and will be subject to the provisions of Section XIII (Third Party Sales and Transfers).

10.1.3. Each Participant will take all lawful steps, which may include national classification, available to it to keep such information free from further disclosure (including requests under any legislative provisions), except as provided in subparagraph 10.1.2. above, unless the originating Participant consents to such disclosure. In the event of unauthorized disclosure, or if it becomes probable that the information may have to be further disclosed under any legislative provision, immediate notification will be given to the originating Participant.

10.2. To assist in providing the appropriate controls, the originating Participant will ensure that Controlled Unclassified Information is appropriately marked. The Program Manager(s) will decide, in advance and in writing, on markings to be placed on the Controlled Unclassified Information. The originating Participant will mark Controlled Unclassified Information provided to the other Participant with a legend indicating the country of origin, the conditions of release and the fact that it relates to this MOU and that it is supplied "in confidence" or the equivalent marking.

10.3. Controlled Unclassified Information provided or generated pursuant to this MOU will be handled in a manner that ensures control as provided for in paragraph 10.1..

10.4. Prior to authorizing the release of Controlled Unclassified Information to Contractor(s), the Participants will ensure the Contractor(s) are legally bound to control such information in accordance with the provisions of this Section.

SECTION XI

VISITS TO ESTABLISHMENTS

11.1. Each Participant will permit visits to its Government establishments, agencies and laboratories, and Contractor industrial facilities by employees of the other Participant or by employees of the other Participant's Contractor(s), provided that the visit is authorized by the respective Participant and the employees have appropriate security clearances and a need-to-know.

11.2. All visiting personnel will be required to comply with security regulations of the host Participant. Any information disclosed or made available to visitors will be treated as if supplied to the Participant sponsoring the visiting personnel, and will be subject to the provisions of this MOU.

11.3. Requests for visits by personnel of one Participant to a facility of the other Participant will be coordinated through official channels, and will conform with the established visit procedures of the host country. Requests for visits will cite this MOU as the basis for the request.

11.4. Lists of personnel of a Participant required to visit, on a continuing basis, facilities of the other Participant will be submitted through official channels in accordance with agreed recurring international visit procedures.

SECTION XII

SECURITY

12.1. All Classified Information or classified Project Equipment provided for or generated pursuant to this MOU will be stored, handled, transmitted and safeguarded in accordance with the US/Canada General Security of Information Agreement of 30 January 1962, and the US-Canada Industrial Security Agreement of 8 February 1985 and any amendments thereto.

12.2. Classified Information and material will be transferred only through official government-to-government channels or through channels approved by the Designated Security Authorities (DSAs) of the Participants. Such Classified Information and material will bear the level of classification, denote the country of origin, the conditions of release, and the fact that the information relates to this MOU.

12.3. Each Participant will ensure in a manner consistent with its laws and regulations that Classified Information provided or generated pursuant to this MOU is protected from further disclosure, except as permitted by paragraph 12.8., unless the other Participant consents to such disclosure. Accordingly, each Participant will ensure that:

12.3.1. The recipient will not release the Classified Information to any government, national, organization, or other entity of a Third Party without the prior written consent of the originating Participant in accordance with the procedures set forth in Section XIII (Third Party Sales and Transfers);

12.3.2. The recipient will not use the Classified Information for other than the purposes provided for in this MOU;

12.3.3. The recipient will comply with any distribution and access restrictions on information that is provided under this MOU; and

12.3.4. The Participants will investigate all cases in which it is known or where there are grounds for suspecting that Classified Information or material 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, and of the final results of the investigation and of the corrective action taken to preclude recurrences.

12.4. The Project Manager(s) will prepare a Project Security Instruction and a Classification Guide for the Project. The Project Security Instruction and the Classification Guide will describe the methods by which Project Information and material will be classified, marked, used, transmitted, and safeguarded. The Instruction and the Guide will be developed by the Project Manager within three months after this MOU enters into effect. They will be reviewed and forwarded to the Participants' DSAs for approval and will be applicable to all government and Contractor personnel participating in the Project. The Classification Guide will be subject to regular review and revision with the aim of downgrading the classification whenever this is

appropriate. The Project Security Instruction and the Classification Guide will be approved by the appropriate DSA prior to the transfer of any Classified Information or Controlled Unclassified Information.

12.5. The DSA of the country in which a classified contract is awarded pursuant to this MOU 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 DSAs will:

12.5.1. Ensure that such Contractor, prospective Contractor, or subcontractors and their facilities have the capability to protect the Classified Information adequately.

12.5.2. Grant a security clearance to the facilities, if appropriate.

12.5.3. Grant a security clearance for all personnel whose duties require access to Classified Information, if appropriate.

12.5.4. 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 the provisions of this MOU.

12.5.5. Carry out periodic security inspections of cleared facilities to ensure that the Classified Information is properly protected.

12.5.6. Ensure that access to the Classified Information is limited to those persons who have a need-to-know for purposes of this MOU.

12.6. 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 respective Participant will be consulted for approval prior to permitting such access.

12.7. For any facility wherein Classified Information or material 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 a facility the information or material pertaining to this MOU. These officials will be responsible for limiting access to Classified Information or material involved in this MOU to those persons who have been properly approved for access and have a need-to-know.

12.8. 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 information in order to participate in this MOU.

12.9. Information or material provided or generated pursuant to this MOU may be classified as high as SECRET. The existence of this MOU is Unclassified and the contents are Unclassified.

SECTION XIII

THIRD PARTY SALES AND TRANSFERS

13.1. The Participants will not sell, transfer title to, disclose, or transfer possession of Project *Foreground Information*, or jointly acquired or produced Project Equipment, to any Third Party without the prior written consent of the other Participant. Furthermore, neither Participant will permit any such sale, disclosure, or transfer, including by the owner of the item, without the prior written consent of the other Participant. Such consent will not be given unless the government of the intended recipient consents in writing with the Participants that it will:

13.1.1. Not retransfer, or permit the further retransfer of, any equipment or information provided; and

13.1.2. Use, or permit the use of, the equipment or information provided only for the purposes specified by the Participants.

13.2. A Participant will not sell, transfer title to, disclose, or transfer possession of Project Equipment or Project Background Information provided by the other Participant to any Third Party without the prior written consent of the Participant which provided such equipment or information. The providing Participant will be solely responsible for authorizing such transfers and, as applicable, specifying the method and conditions for implementing such transfers.

SECTION XIV

LIABILITY AND CLAIMS

14.1. Claims arising under this MOU will be dealt with under paragraph 1b of the Agreement Between the Government of the United States of America and the Government of Canada Concerning the Establishment of Certain Mutual Defense Commitments, signed August 19, 1994.

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 MOU.

15.2. Each Participant will use its best efforts to ensure that customs duties, import and export taxes, and similar charges are waived or otherwise 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.

SECTION XVI

SETTLEMENT OF DISPUTES

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

SECTION XVII

AMENDMENT, TERMINATION, ENTRY INTO EFFECT AND DURATION

17.1. All responsibilities of the Participants under this MOU will be carried out in accordance with their national laws. Any responsibilities that require the expenditure of funds will be subject to the availability of appropriated funds for such purposes.

17.2. Annexes to this MOU are an integral part hereof. In the event of a conflict between a Section of this MOU and any Annex to this MOU, the MOU Section will control.

17.3. This MOU may only be amended by the mutual written consent of the Participants. Annexes to this MOU may be amended by the written approval of the SC on behalf of the Participants, after having secured appropriate national approval.

17.4. This MOU may be terminated at any time upon the mutual written consent of the Participants. In the event both 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 terms.

17.5. Either Participant may terminate this MOU upon 90 days written notification to the other Participant. 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 termination, the following rules apply:

17.5.1. The terminating Participant will continue its participation, financial or otherwise, up to the effective date of termination;

17.5.2. Each Participant will pay the costs it incurs as a result of termination; and

17.5.3. All Project Information and rights therein received under the provisions of this MOU prior to the termination will be retained by the Participants, subject to the provisions of this MOU.

17.6. The respective rights and responsibilities of the Participants regarding Section VIII (Project Equipment), Section IX (Disclosure and Use of Project Information), Section X (Controlled Unclassified Information), Section XII (Security), Section XIII (Third Party Sales and Transfers), and Section XIV (Liability and Claims), will continue notwithstanding termination or expiration of this MOU.

17.7. This MOU, which consists of 17 Sections and 2 Annexes, will enter into effect upon signature by both Participants and will remain in effect for fifteen years, unless earlier terminated or superseded by the provisions of the O&M MOU. It may be extended by the mutual written consent of the Participants.

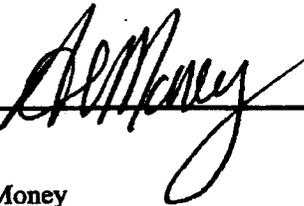
The foregoing represents the understandings reached between the Department of Defense of the United States of America and the Department of National Defence of Canada upon the matters referred to therein.

SIGNED in duplicate.

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

**FOR THE DEPARTMENT OF NATIONAL
DEFENCE OF CANADA:**

Signature



Arthur L. Money
Assistant Secretary of Defense
(Command, Control, Communications and Intelligence)

Signature



Howard C. Dickson
Assistant Deputy Minister
Information Management

Date



Date



Location



Location



ANNEX A TO THE

MEMORANDUM OF UNDERSTANDING

BETWEEN THE

DEPARTMENT OF DEFENSE
OF THE UNITED STATES OF AMERICA

AND THE

DEPARTMENT OF NATIONAL DEFENCE
OF CANADA

CONCERNING

DEVELOPMENT, DOCUMENTATION,
PRODUCTION AND INITIAL FIELDING OF

MILITARY SATELLITE COMMUNICATIONS
(MILSATCOM)

RELATING TO
THE ADVANCED EXTREMELY HIGH
FREQUENCY PROJECT

1.0. Introduction

1.1. This is an Annex to the Memorandum of Understanding (MOU) between the Department of Defense of the United States of America and the Department of National Defence of Canada concerning Development, Documentation, Production and Initial Fielding of Military Satellite Communications (MILSATCOM). This Annex relates to the Advanced Extremely High Frequency (AEHF) Project and provides the details of the system description and resource sharing provisions for integrating the DND requirements into the DOD MILSATCOM architecture. It is acknowledged that while DND's investment was determined based on a static requirement, there will arise operational situations that could change how the DND requirements are distributed within the DOD MILSATCOM constellation.

2.0. System Description

2.1. The AEHF Program will deliver a four satellite constellation, plus one spare, that will replenish the existing Milstar satellites. The AEHF Program will provide a new space segment plus the mission control segment for survivable, jam-resistant, worldwide, secure communications for the strategic and tactical warfighter. The AEHF Program will utilize as much commercial off-the-shelf technology as possible and will ensure that the technology development produces a satellite that can be launched on a medium-class launch vehicle. The projected launch schedule is 2006 for satellite 1, 2007 for satellites 2 and 3, and 2008 for satellites 4 and 5. The satellite service dates are contingent on the DOD satellite communications operational manager (SOM) declaring them operational.

2.2. The AEHF system will be DOD owned and operated. The DOD will have full operational control over the AEHF constellation and perform all satellite control functions. Satellite resources will be apportioned to the DND; the DND will control these resources. DND control of their apportioned satellite resources will be outlined in the O&M MOU and Annexes.

3.0. Resource Sharing Provisions

3.1. Baseline Apportionment

3.1.1. In return for the DND portion of the total investment identified in Section V (Financial Arrangements) of the MOU, the DND will have Assured Access (subject to paragraphs 3.3. and 3.4. of this Annex) to the MILSATCOM payload resources identified below. The resources described in the paragraphs below will form the DND Baseline Apportionment of the resources on the satellites. These resources will be assigned for DND use through the US AEHF planning and apportionment process. This process does not modify DND's Baseline Apportionment (i.e., the resources are separate and distinct from the resources apportioned to the CINCs). The internal management of the assigned Baseline Apportionment resources will be the responsibility of the DND. The resource quantities are based on the DOD notional design for the AEHF system. It is understood

that the DND baseline resources are adequate to fully meet DND's communications throughput requirements only in the least robust mode. A strong jammer may cause the DND to make adjustments to the way in which the DND apportioned resources are used. The Baseline Apportionment cannot be adjusted to accommodate a stressed environment, except as provided for in paragraph 3.2.. It is understood that the Baseline Apportionment will be adjusted based on the final operational performance delivered by the AEHF development/production Contractor to comply with the percentages identified in the paragraphs below.

3.1.1.a. After approval by the Project Team Leader and System Program Director, this Annex will be updated to reflect the new quantities. The Baseline Apportionment does not include a nulling antenna. The DND will have access to DOD nulling and/or other uplink antennas subject to DOD decisions on coverage of forces during coalition operations. The Baseline Apportionment will be provided to the DND and implemented in the form of a defined AEHF resource fence.

3.1.1.b. A fence consists of a quota for each of the resource pools per satellite. For each satellite, communication resources are divided into pools of resource types: one pool of steerable antenna beams; one pool of uplink channels per each uplink antenna beam; one pool of downlink resources (hops) per downlink channel; and one pool of crosslink resources (slots) per crosslink with inbound and outbound resources in separate pools. The Baseline Apportionment will include the Transmission Security (TRANSEC) keys required for accessing the satellite.

3.1.1.c. The DND will use their apportioned resources without interfering with DOD users. The steerable antenna beam included in the Baseline Apportionment may be capable of being used in a shared mode by providing users located in geographically dispersed areas with a transmission duty cycle of 25% or more. This capability will effectively enable four geographically dispersed DND users to share one beam within the same transmission frame. This capability is known as "quarter-frame beams".

3.1.1.d. The resources described in 3.1.1.1. through 3.1.1.4. are based on a total resource pool per satellite of 3 low data rate (LDR) supergroups (144 usable channels), 56 medium data rate (MDR) channels, 16 uplink beams, and 5 downlinks (1450 available downlink hops).

3.1.1.1. Region 1 (CONUS-90W):

Satellite resources percentage: 6.25%. This equates to 9 AEHF uplink LDR channels, 3.5 AEHF uplink MDR channels, 91 downlink hops, and sufficient crosslink slots from 90W to 4E to support approximately 11 Mbps total crosslink capacity, and sufficient crosslink slots from 90W to 177E to support approximately 3 Mbps total crosslink capacity.

4 quarter-frame uplink "beams"

3.1.1.2. Region 2 (Europe/Africa-4E):

Satellite resources percentage: 6.25%. This equates to 9 AEHF uplink LDR channels, 3.5 AEHF uplink MDR channels, 91 downlink hops, and sufficient crosslink slots from 4E to 90W to support approximately 11 Mbps total crosslink capacity, and sufficient crosslink slots from 4E to 90E to support approximately 6 Mbps total crosslink capacity.

4 quarter-frame uplink "beams"

3.1.1.3. Region 3 (Indian Ocean-90E):

Satellite resources percentage: 3.125%. This equates to 4.5 AEHF uplink LDR channels, 1.75 AEHF uplink MDR channels, 46 downlink hops, and sufficient crosslink slots from 90E to 4E to support approximately 6 Mbps total crosslink capacity, and sufficient crosslink slots from 90E to 177E to support approximately 3 Mbps total crosslink capacity.

2 quarter-frame uplink "beams"

3.1.1.4. Region 4 (Pacific-177E):

Satellite resources percentage: 1.56%. This equates to 2.25 AEHF uplink LDR channels, .88 AEHF uplink MDR channels, 23 downlink hops, and sufficient crosslink slots from 177E to 90E to support approximately 3 Mbps total crosslink capacity, and sufficient crosslink slots from 177E to 90W to support approximately 3 Mbps total crosslink capacity.

1 quarter-frame uplink "beam"

3.1.1.5. In addition, the DND will receive acquisition and control resources in order to manage their apportionment. These acquisition and control resources will include defined sets of identification numbers for the terminals; communication service identification numbers; and acquisition services. A subset of the DND terminals will be identified as privileged terminals. Privileged terminals will be used by the DND to control their apportioned resources.

3.1.1.6. Within their apportioned resources, the DND may use the resources as required to meet national priorities. The management of resources, DND terminal populations and DND networks is the sole responsibility of the DND. To aid in coordination, the DND will routinely (as will be defined in the O&M MOU) notify the DOD operational manager of the status of the DND resources. The DOD will procure and provide to the DND communication management and network control capability tools to manage the DND resources. Modifications to these tools will occasionally be required to maintain currency with the state of the AEHF constellation. Costs associated with such modifications to these tools are the responsibility of the DND.

3.1.2. If the DOD must make operational changes to the status of the AEHF constellation, the DOD, in coordination with the DND, has the option to provide the capability equivalent to that listed in 3.1.1. on Milstar I or Milstar II satellites.

3.1.3. If one or more satellites of the Protected Constellation must be re-initialized due to external factors, it may cause an outage to certain DND and DOD communication services. The affected communication services will be automatically deactivated without ground notification. The satellite will be ready to be accessed by the DND users after re-initialization is complete. The outage time will be based on the final operational performance delivered by the AEHF development/production Contractor. Recovery time for DND communications services will be consistent with the recovery time provided to DOD tactical networks.

3.2. Changes to Baseline Apportionment

3.2.1. It is anticipated that occasionally the DND may require variations in resources from those listed in the Baseline Apportionment. By virtue of having invested as a partner in the AEHF system, the DND is authorized to request changes in its apportionment from the DOD SOM and the DOD Joint Staff. While such requests are not guaranteed approval, every effort will be made to accommodate DND requests. Approval may require a credit to the DOD of an equivalent amount of DND resources at a future time. Operational procedures will be defined in the O&M MOU.

3.2.2. It is anticipated that occasionally the DOD may require variations in resources from those listed in the Baseline Apportionment. While such requests are not guaranteed approval, the DND will make every effort to accommodate DOD requests. Approval may require a credit to the DND of an equivalent amount of DOD resources at a future time. Operational procedures will be defined in the O&M MOU.

3.2.3. One of the purposes of this Annex is to ensure interoperability between US and Canadian forces during coalition operations. Resources provided by either Participant for coalition operations require no "payback" or "quid-pro-quo". Operational procedures will be defined in the O&M MOU.

3.2.4. US operational priorities and considerations may require the DOD SOM to place the satellites in orbital slots that are different from those identified in paragraph 3.1. If this occurs then the DOD will coordinate with the DND to a) maintain the Baseline Apportionment as identified in subparagraphs 3.1.1.1., 3.1.1.2., 3.1.1.3., and 3.1.1.4., which will require DND terminals be under the field of view of the repositioned satellite(s) to access the DND resources or b) reapportion the DND Baseline Apportionment to other DOD EHF satellites in a manner that best approximates the resource usage identified in subparagraphs 3.1.1.1., 3.1.1.2., 3.1.1.3., and 3.1.1.4..

3.3. Anomaly Investigation – Canadian Capacity

3.3.1. The DOD will support DND requests to resolve anomalous behavior of the AEHF satellites in a timely manner, as will be described in the O&M MOU. During anomaly resolution and investigation, the Baseline Apportionment may not be available. If it is determined that AEHF satellite degradation has occurred, paragraph 3.4. below will apply.

3.4. Satellite Degradation

3.4.1. The DND accepts proportionate risk of capacity loss due to launch and/or satellite failures and/or unexpected technical development delays. As the AEHF satellites degrade, the Baseline Apportionment of resources will be proportionately reduced from the levels identified in paragraph 3.1. above, unless the DOD elects to reduce the DND resources by a lesser amount.

3.4.2. Loss of an AEHF satellite (on orbit or at launch) will represent a permanent loss of resources unless the spare AEHF satellite is available. A launch delay or technical delay will result in a delay of the delivery of that satellite's capability. Loss of a satellite in the Protected Constellation, other than AEHF, will not degrade the Baseline Apportionment.

APPENDIX 1 TO ANNEX A

SAMPLE FORMAT FOR PROJECT EQUIPMENT

Project Equipment to be loaned will be listed in a supplement to this Annex in the following format.

Providing Participant (s)	Receiving Participant (s)	Qty	Description	Part/ Stock #	Consumables/ Non-Consumables	Approx Value	Loan Period
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The supplement will be prepared by the Program Manager for signature by the Steering Committee after appropriate national approvals have been obtained. The supplement will be an integral part of this Annex.

ANNEX B TO THE
MEMORANDUM OF UNDERSTANDING
BETWEEN THE
DEPARTMENT OF DEFENSE
OF THE UNITED STATES OF AMERICA
AND THE
DEPARTMENT OF NATIONAL DEFENCE
OF CANADA
CONCERNING
DEVELOPMENT, DOCUMENTATION,
PRODUCTION AND INITIAL FIELDING OF
MILITARY SATELLITE COMMUNICATIONS
(MILSATCOM)
RELATING TO
THE EXCHANGE OF COOPERATIVE PROJECT
PERSONNEL

1.0. Introduction and Definitions

1.1. The following provisions will apply to individuals assigned to the government facilities of the other Participant to serve as Cooperative Project Personnel (CPP) under the "Memorandum of Understanding Between The Department of Defense of The United States of America and The Department of National Defence of Canada Concerning Development, Documentation, Production and Initial Fielding of Military Satellite Communications (MILSATCOM)," hereinafter referred to as "the MOU." Prior to exchange of personnel, specific position descriptions must be agreed upon by both Participants.

1.2. In addition to any terms defined in the MOU, the following terms will have the following meanings when used in this Annex:

1.2.1. "Contact Officer" will mean the official(s) of the Host Participant designated in writing to oversee and control all contacts, requests for information, consultations, access, and other activities of CPP who are assigned hereunder.

1.2.2. "Host Government" will mean the national government of the Host Participant.

1.2.3. "Host Participant" will mean the Participant to which the CPP is assigned pursuant to a placement by a Parent Participant under Section 3.

1.2.4. "International Visit Program (IVP)" will mean the program established to process visits by, and assignments of, foreign representatives to United States Department of Defense Components and Department of Defense contractor facilities. The IVP is designed to ensure the Classified and Controlled Unclassified Information to be disclosed to foreign nationals has been properly authorized for disclosure to their governments; that the requesting foreign government provides a security assurance on such foreign nationals and their sponsoring organization or firm when Classified Information is involved in the visit or assignment; and that administrative arrangements (e.g., date, time and place) for the visit or assignment are provided.

1.2.5. "Cooperative Project Personnel (CPP)" will mean military member(s) or civilian employee(s) of a Parent Participant who, upon approval or certification of the Host Participant or Government, perform professional administrative, contracting, logistics, financial, planning or other support functions in furtherance of the MILSATCOM program.

1.2.6. "Parent Government" will mean the national government of the Parent Participant.

1.2.7. "Parent Participant" will mean the Participant that assigns CPP pursuant to Section 3.0.

2.0. Scope

2.1. This Annex establishes the provisions by which the Participants will assign CPP in support of the MILSATCOM Program. During the term of the MOU, subject to the mutual approval of the Participants, each Participant may assign military members or civilian employees of its armed forces to serve as a CPP to the other Participant in accordance with the terms hereof.

2.2. Commencement of such a placement by the Parent Participant will be subject to any requirements that may be imposed by the Host Participant or its government regarding formal certification or approval of CPP. CPP to be placed by their Parent Participant to locations in the United States will be processed pursuant to the IVP.

2.3. Unless otherwise agreed, the normal tour of duty for a CPP will be three years.

2.4. The CPP will not act in a liaison capacity. The CPP will perform duties as mutually determined by the Participants.

3.0. Duties and Activities

3.1. The CPP will not perform duties reserved by the laws or regulations of the Host Government for officers or employees of the Host Government.

3.2. The CPP will be required to comply with all applicable Host Government policies, procedures, laws and regulations. The Host Participant will assign a Contact Officer to provide guidance to the CPP concerning policies, procedures, laws and regulations of the Host Participant, and to arrange for activities consistent with such requirements and the purposes of the MOU.

3.3. The CPP may request access to Host Participant facilities by submitting a request to the Contact Officer. Access to Host Participant facilities may be granted if such access promotes the purposes of the MOU, is consistent with the terms of any applicable certification or approval issues by the Host Government, and is permitted under the applicable policies, procedures, laws and regulations of the Host Government. Approval of such requests will be at the discretion of the Host Participant. Any request for access that exceeds the terms of an applicable certification or approval will require separate approval.

3.4. The CPP will not be granted access to technical data or other information of the Host Participant, whether or not classified, except as authorized by the Host Participant in accordance with the MOU.

3.5. All Project Information to which the CPP is granted access will be treated as information provided to the Parent Government, and will be subject to the provisions of Section IX (Disclosure and Use of Project Information), Section X (Controlled

Unclassified Information), Section XII (Security) and Section XIII (Third Party Sales and Transfers) of the MOU.

3.6. The CPP will not be permitted to participate in exercises, deployments, or civil-military actions, unless expressly authorized to do so by both the Host and Parent Participants.

3.7. The CPP will be required to comply with the dress regulations of the Parent Participant but, if requested by the Host Participant, will also wear such identification necessary to identify the CPP's nationality, rank and status as a CPP. The order of dress for any occasion will be that which most closely conforms to the order of dress for the particular organization of the Host Participant where the CPP are located. The CPP will be required to comply with the practices of the Host Participant with respect to the wearing of civilian clothing.

3.8. Prior to the commencement of a CPP's tour, the Parent Participant will notify the Host Participant of the specific Parent Participant organization which will exercise operational control over the CPP and, if different, the Parent Participant organization that will provide administrative support to the CPP and the CPP's dependents.

3.9. At the end of a CPP's tour, or as otherwise mutually approved by the Participants, the Parent Participant may, subject to the provisions of paragraph 3.3., replace the CPP with another individual who meets the requirements of the MOU.

4.0. Financial Arrangements

4.1. The Parent Participant will bear all costs and expenses of the CPP, including, but not limited to:

4.1.1. All pay and allowances of the CPP.

4.1.2. All official travel by the CPP and the CPP's dependents, including, but not limited to travel to and from the country of the Host Participant, except as provided in paragraph 4.2.

4.1.3. All costs and expenses associated with the placement of the CPP and the CPP's dependents within the Host Participant's country, including travel, quarters, rations, medical and dental services, unless specifically stated otherwise in an applicable international MOU.

4.1.4. Compensation for loss of, or damage to, the personal property of the CPP, or the personnel property of the CPP's dependent(s).

4.1.5. The movement of the household effects of the CPP and the CPP's dependent(s).

4.1.6. Preparation and shipment of remains and funeral expenses associated with the death of the CPP or the CPP's dependent(s).

4.1.7. All expenses in connection with the return of the CPP whose assignment has ended or been terminated, along with the CPP's dependent(s).

4.2. The Host Participant will provide the CPP with such office facilities, equipment, supplies and services as may be necessary to fulfill the purposes of the MOU. The cost of any CPP training to familiarize, orient, or certify the CPP regarding unique aspects of their assignment to the Host Participant will be a Host Participant responsibility. When the Host Participant directs official temporary duty travel for the CPP, it will bear the cost of such travel.

5.0. Security

5.1. The Host Participant will establish the maximum substantive scope and classification levels within which the disclosure of any Classified Information or Controlled Unclassified Information to the CPP will be permitted. The Host Participant will inform the Parent Participant of the level of security clearance required to permit the CPP access to such information. The CPP's access to such information and facilities will be consistent with, and limited by, the terms of their placement, the provisions of this Annex, the MOU and any other arrangements between the Participants or their governments concerning access to such information and facilities. Further, access will at all times be limited to the minimum required to accomplish the purposes of the MOU, and, at its discretion, the Host Participant may prohibit the CPP's right of access to any Host Participant facility or require that such access be supervised by Host Participant personnel.

5.2. Each Participant will cause security assurances to be filed, through the US Embassy, Ottawa, Canada, in the case of DOD personnel, and through the Canadian Embassy in Washington, D.C., United States of America, in the case of DND personnel, stating the security clearances for the CPP being assigned by such Participant. The security assurances will be prepared and forwarded through prescribed channels in compliance with established Host Participant procedures. For the DOD, the prescribed channels will be the IVP.

5.3. The Parent Participant will ensure that each assigned CPP is cognizant of, and complies with, applicable laws and regulations concerning the protection of proprietary information (such as patents, copyrights, know-how and trade secrets), Classified Information and Controlled Unclassified Information disclosed to the CPP. This obligation will apply both during and after termination of an assignment of a CPP. Prior to taking up duties as a CPP, the CPP will be required to sign the certification at Appendix 1 to this Annex. Only individuals who execute the certification will be permitted to serve as CPP.

5.4. The Parent Participant will ensure that the CPP, at all times, complies with the security laws, regulations and procedures of the Host Government. Any violation of security procedures by a CPP during his or her assignment will be reported to the Parent Participant for appropriate action. Upon request by the Host Participant, the Parent Participant will remove any CPP who violates security laws, regulations, or procedures during his or her assignment.

5.5. The CPP will not take custody of Classified Information or Controlled Unclassified Information in tangible form (for example, documents or electronic files), except as expressly permitted by the terms of the Host Participant certification of the CPP, and as requested in writing by the Parent Government, for the following situation:

5.5.1. Couriers. The CPP may take custody of Classified Information to perform courier functions when authorized by the Host Participant certification for the CPP. The Classified Information will be packaged and receipt acknowledged in compliance with Host Participant policy.

6.0. Technical and Administrative Matters

6.1. The Host Participant's certification or approval of an individual as a CPP will not bestow diplomatic or other special privileges on that individual.

6.2. To the extent authorized by the laws and regulations of the Host Government, and in accordance with Section 5.0., the Host Participant may provide such administrative support as is necessary for the CPP to fulfill the purposes of the MOU.

6.3. Exemption from taxes, customs or import duties or similar charges for the CPP or the CPP's dependents will be governed by applicable laws and regulations or applicable international agreement between the Host Government and the Parent Government.

6.4. CPP may observe the holiday schedule of either the Parent Participant or the Host Participant as mutually acceptable.

6.5. The Participants will determine working hours for CPP that are consistent with the customs and requirements of both Participants. CPP will have performance evaluations rendered in accordance with the applicable Parent Participant regulations.

6.6. Any medical and dental care that may be provided to CPP and their dependents at the Host Participant medical facilities, will be subject to the requirements of the laws, and regulations of the government of the Host Participant, including reimbursement when required by such laws and regulations.

6.7. The CPP and the CPP's dependents may be accorded the use of military commissaries, exchanges, theaters and similar morale and welfare activities in accordance with the laws and regulations of the Host Participant.

6.8. To the extent permitted by the laws and regulations of the Host Government, and subject to reimbursement by the Parent Participant, the Host Participant may provide, if available, housing and messing facilities for the CPP and CPP's dependents on the same basis and priority as for its own personnel of comparable rank and assignment. At locations where housing and messing facilities are not provided by the Host Participant, the Host Participant will use reasonable efforts to assist the Parent Participant to locate such facilities for the CPP and the CPP's dependents.

6.9. The Parent Participant will ensure that the CPP and the CPP's dependents have all documentation required by the Host Government for entry into and exit from, the country of the Host Government at the time of such entry and exit. Unless exempted under an applicable international agreement between the Participants, CPPs and their authorized dependents entering the United States will be required to comply with the United States Customs Regulations.

6.10. The Parent Participant will ensure that the CPP and those dependents accompanying the CPP in the country of the Host Participant will obtain motor vehicle liability insurance coverage for their private motor vehicles in accordance with applicable laws and regulations of the Host Government, or the political subdivision of the country of the Host Participant in which the CPP are located.

7.0. Discipline and Removal

7.1. Neither the Host Participant nor the armed forces of the Host Government may take disciplinary action against a CPP who commits an offense under the military laws or regulations of the Host Participant, nor will the Host Participant exercise disciplinary powers over the CPP's dependents. The Parent Participant, however, will take such administrative or disciplinary action against the CPP as may be appropriate under the circumstances to ensure compliance herewith. The Participants will cooperate in the investigation of any offenses committed by the CPP under the laws or regulations of either Participant.

7.2. The certification or approval of a CPP may be withdrawn, modified or curtailed at any time by the Host Participant for any reason, including, but not limited to, the violation of the regulations or laws of the Host Participant or the Host Government. In addition, at the request of the Host Participant, the Parent Government will remove the CPP or a dependent of the CPP from the territory of the Host Government. The Host Participant will provide an explanation for a removal request, but a disagreement between the Participants concerning the sufficiency of the Host Participant's reasons will not be grounds to delay the removal of the CPP.

7.3. A CPP will not exercise any disciplinary or official supervisory authority over military or civilian personnel of the Host Participant.

7.4. The Parent Participant will ensure that the CPP complies with all obligations and restrictions applicable to the CPP hereunder.

APPENDIX 1 TO ANNEX B

CERTIFICATION OF CONDITIONS AND RESPONSIBILITIES
FOR COOPERATIVE PROJECT PERSONNEL

I understand and acknowledge that I have been accepted for assignment to (insert name and location of Project to which assigned) pursuant to the Memorandum of Understanding (MOU) between the Department of Defense of the United States of America and the Department of National Defence of Canada Concerning Development, Documentation, Production And Initial Fielding Of Military Satellite Communications (MILSATCOM). Capitalized terms in this certification have the meanings defined in the MOU. In connection with this assignment, I further understand, acknowledge, and certify that I shall comply with the following conditions and responsibilities:

1. The purpose of the assignment is to provide my expertise to the Project. There shall be no access to information except as required to perform the duties described in the position description (PD) of the position to which I am assigned, as determined by my designated supervisor.

2. I shall perform only functions which are properly assigned to me as described in the PD for my assignment and shall not act in any other capacity to the Host Participant on behalf of my government or my Parent Participant.

3. All Project Information to which I may have access during this assignment shall be treated as information provided to my government in confidence and shall not be further released or disclosed by me, except as authorized by the MOU.

4. When dealing with individuals outside of my immediate office of assignment on official matters, I shall inform such individuals that I am a foreign Cooperative Project Person.

5. I have been briefed on, understand, and shall comply with all applicable security regulations concerning the protection of proprietary information (such as patents, copyrights, know-how and trade secrets), Classified Information and Controlled Unclassified Information.

6. I shall immediately report to my designated supervisor all attempts to obtain classified, proprietary or Controlled Unclassified Information to which I may have access as a result of this assignment.

(Typed Name)

(Signature)

(Rank/Title)

(Date)