

AGREEMENT
BETWEEN
THE DEPARTMENT OF DEFENSE OF THE UNITED STATES OF AMERICA
AND
THE MINISTRY OF NATIONAL DEFENSE OF THE REPUBLIC OF KOREA
FOR
RESEARCH, DEVELOPMENT, TEST, AND EVALUATION (RDT&E) PROJECTS

Short Title: U.S./ROK RDT&E Agreement

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PREAMBLE

The Department of Defense of the United States of America (U.S. DoD) and the Ministry of National Defense of the Republic of Korea (ROK MND), hereinafter referred to as the "Parties":

Having a common interest in defense;

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

Having signed the "Memorandum of Understanding between the Department of Defense of the United States of America and the Ministry of National Defense of the Republic of Korea Concerning Technology Research and Development Projects," entered into force May 29, 1996, and its Annexes (TRDP MOU);

Seeking to make the best use of their respective research, development, test, and evaluation capacities, eliminate unnecessary duplication of work, and obtain the most efficient and cost-effective results through cooperation in Research, Development, Test, and Evaluation (RDT&E) Projects;

Agreeing to equitably share both the costs of each Project and the benefits resulting from the Projects efforts;

Desiring to improve their mutual conventional defense capabilities through the application of emerging technology; and

Desiring to further enhance cooperative research and development activities authorized by the "Memorandum of Understanding between the Ministry of National Defense of the Republic of Korea and the Department of Defense of the United States of America on Defense Technological and Industrial Cooperation," entered into force June 8, 1988;

Have agreed as follows:

ARTICLE I

DEFINITIONS

The Parties have agreed upon the following definitions and abbreviations for terms used in this RDT&E Agreement:

1.1. Definitions:

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. It may be in oral, visual, magnetic, or documentary form, or in the form of equipment or technology.
Contract	Any mutually binding legal relationship under national laws that 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 a description 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 that 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.
Contractor Support Personnel	Persons specifically identified as providing administrative, managerial, scientific, or technical support services to a Party under a support Contract that prohibits those persons from using information received under the Contract for any purpose other than those authorized under this RDT&E Agreement or the applicable Project Agreement (PA).
Controlled Unclassified Information	Unclassified information to which access or distribution limitations have been applied in accordance with applicable national laws or regulations. It could include information which has been declassified but remains controlled. Whether the information is provided or generated under this Agreement or its PAs, the information shall be marked to identify its "in confidence" nature. U.S. export-controlled information shall be marked as "International Traffic in Arms Regulations ITAR-Controlled." ROK export-controlled information shall be marked as "Defense Industry Act-Controlled".

Cooperative Project Personnel (CPP)	Military members or civilian employees of a Parent Party assigned to a Joint Project Office who perform managerial, engineering, technical, administrative, Contracting, logistics, financial, planning, or other functions in furtherance of a Project.
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.
Host Party	The Party whose nation serves as the location of the Joint Project Office established under a Project Agreement.
Intellectual Property Rights	All copyright and neighboring rights and all rights in relation to inventions (including patent rights), registered and unregistered trademarks (including service marks); registered and unregistered designs, undisclosed information (including trade secrets and know-how), layout designs of integrated circuits, geographical indications, and any other rights resulting from creative activity in the industrial, scientific, literary, and artistic fields.
National Security Authority (NSA)	The government entity responsible for national security policy guidance. It may include DSA's responsibilities.
Non-financial Costs	Project costs met with non-monetary contributions.
Parent Party	The Party that sends its CPP to the Joint Project Office located in the nation of the other Party.
Party	A signatory to this RDT&E Agreement represented by its military and civilian personnel. Contractors and Contractor Support Personnel shall not be representatives of a Party under this RDT&E Agreement or its PAs.
Patent	Grant by a Government 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	Specific collaborative activity described in a PA concluded pursuant to this RDT&E Agreement.

Project Agreement (PA)	An implementing agreement, added after the RDT&E Agreement has entered into force, that specifically details the provisions of collaboration on a specific Research, Development, Test, and Evaluation Project.
Project Background Information	Information not generated in the performance of a PA.
Project Equipment	Any materials, equipment, end item, subsystem, component, special tooling, or test equipment jointly acquired or provided for use in a PA.
Project Foreground Information	Information generated in the performance of a specific PA.
Project Information	Any information provided to, generated by, or used in a PA 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, software and associated documentation, 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 product or process, in any field of technology, provided it is new, involves an inventive step, and is capable of industrial application. Also, any invention or discovery formulated or made (conceived or first actually reduced to practice) in the course of work performed under a PA. 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.
Prospective Contractor	Any entity that seeks to enter into a Contract awarded by a Party's Contracting Agency and that, in the case of a solicitation involving the release of export-controlled information, is eligible to receive such information.
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.

1.2. Abbreviation List:

AP	Agreement Principal
CPP	Cooperative Project Personnel
DSA	Designated Security Authority
EA	Executive Agent
JPO	Joint Project Office
NAD	National Armament Director
NSA	National Security Authority
PA	Project Agreement
PO	Project Officer (U.S.) or Project Officer (Korea)
SC	Steering Committee
RDT&E	Research, Development, Test, and Evaluation

ARTICLE II

OBJECTIVE

2.1. The objective of this Agreement is to promote collaboration on research of technologies and systems by defining and establishing the general provisions that apply to the initiation, conduct, and management of RDT&E Projects established by separate Project Agreements (PAs) entered into by representatives of the Parties authorized in accordance with this Agreement.

ARTICLE III
SCOPE OF WORK

3.1. The scope of work for this Agreement shall encompass collaboration in research, development, test, and evaluation potentially leading to new or improved military capability. PAs may encompass one or more of the following activities: basic research, applied research, advanced technology development, concept of operation studies and analysis, advanced concept technology demonstrations, system prototypes, system development and demonstration (engineering and manufacturing development), developmental test and evaluation of system/subsystem efforts, and evolutionary acquisition/spiral development efforts associated with low rate initial production or production programs.

3.2. Information exchange for the purposes of harmonizing the Parties' respective RDT&E capabilities and requirements, and for formulating, developing, and negotiating PAs is permitted under this Agreement.

3.3. No technical information relating to production may be transferred under this Agreement or its implementing PAs. Technical information related to Project Equipment loaned to a Party is authorized to be shared in accordance with Article VIII of this Agreement.

3.4. This Agreement does not preclude the Parties from entering into any other Agreement in the area of research, development, test, and evaluation.

ARTICLE IV

MANAGEMENT (ORGANIZATION AND RESPONSIBILITY)

4.1. The Under Secretary of Defense (Acquisition, Technology and Logistics) (Director, International Cooperation) is designated the U.S. RDT&E Agreement Principal (AP). The Director General of Acquisition Planning Bureau (APB), Defense Acquisition Program Administration (DAPA) is designated the ROK RDT&E AP. The RDT&E APs shall be responsible for:

- 4.1.1. monitoring implementation of this Agreement and exercising executive-level oversight;
- 4.1.2. monitoring overall use and effectiveness of the Agreement;
- 4.1.3. recommending amendments to the Agreement to the Parties; and
- 4.1.4. resolving issues brought forth by the Executive Agents.

4.2. The appropriate U.S. Military Department Acquisition Executive or Defense Agency Director, or designee, is designated U.S. RDT&E Executive Agent (U.S. RDT&E/EA) for those Projects within their respective Military Department or Defense Agency. The Director of Technology Planning Division (TPD), Defense Acquisition Program Administration (DAPA), or a designated representative, is designated the ROK RDT&E/EA. The RDT&E/EAs shall be responsible for:

- 4.2.1. concluding appropriate PAs in accordance with this Agreement and national policies and procedures;
- 4.2.2. establishing an appropriate management structure for overseeing their PAs and, for each PA, considering the PA's scope and the requirement for a Steering Committee (SC);
- 4.2.3. appointing SC members when deemed necessary, and Project Officers (PO), as appropriate;
- 4.2.4. providing administrative direction to appropriate SCs, if established, or POs appointed to their Projects;
- 4.2.5. approving plans for disposal of jointly acquired Project Equipment if a SC is not established;
- 4.2.6. ensuring security is administered during all phases of PAs;

- 4.2.7. designating a point of contact for exchange of information to harmonize requirements for the development and negotiation of potential PAs, in accordance with paragraph 3.2 of Article III (Scope of Work); and
 - 4.2.8. resolving issues brought forth by the SC, or, if no SC is established, by the POs.
- 4.3. If an SC is established under a particular PA, it shall be responsible for:
- 4.3.1. providing policy and management direction to the POs during PA execution;
 - 4.3.2. monitoring overall PA implementation, including technical, cost, and schedule performance against requirements;
 - 4.3.3. approving plans for transfers of Project Equipment or disposal of jointly acquired Project Equipment, in accordance with Article VIII (Project Equipment) of this Agreement;
 - 4.3.4. resolving issues brought forth by POs;
 - 4.3.5. maintaining oversight of the security aspects of a PA and appointing a Project security officer;
 - 4.3.6. approving assignment of personnel working on a Project at the other Party's facilities in accordance with the provisions set forth in Appendix (1) to Annex A;
 - 4.3.7. approving the detailed financial procedures of a PA established by the POs in the event that one Party contracts on behalf of the other Party or on behalf of both Parties; and
 - 4.3.8. reporting status of activity of assigned PAs at least every six months to the RDT&E/EAs and RDT&E/APs.
- 4.4. In accordance with the provisions of the PA, the POs shall have primary responsibilities for effective implementation, efficient management and direction of their assigned PA including technical, cost, and schedule performance against requirements. Additionally, if no SC is established for the PA, the POs shall have the obligations under paragraph 4.3. of this Article except that the EAs shall be responsible for resolving issues brought forth by the POs and for approving plans for disposal of jointly acquired Project Equipment. The POs shall also maintain a list of all Project Equipment transferred by either of the Parties.
- 4.5. As provided in a PA and in accordance with the provisions set forth in Appendix (1) to Annex A of this Agreement attached to the approved PA, a Party may assign Cooperative Project Personnel (CPP) to the Joint Project Office (JPO) established under the PA to assist in the implementation of the PA.

4.6. The RDT&E/EAs, SCs, and POs shall meet on a need basis with mutual consent of both EAs, alternately in the United States and Korea. The Chairperson for each meeting shall be the senior official of the Host Party. During such meetings, all decisions shall be made unanimously with each Party having one vote. In the event the Parties are unable to reach a timely decision on an issue, each Party shall refer the issue to its higher authority for resolution. In the meantime, the approved PA shall continue to be implemented without interruption under the direction of the POs while the issue is being resolved by the higher authorities.

ARTICLE V

FINANCIAL PROVISIONS

5.1. Each Party shall contribute its equitable share of the full Financial Costs and Non-financial Costs incurred in performing, managing, and administering its responsibilities and activities under each PA, including overhead costs, administrative costs, and costs of claims, and each Party shall receive an equitable share of the results of the PA. The tasks to be performed by each Party shall be established in each PA. The assignment of tasks shall represent an equitable sharing of the costs and work to be performed under each PA.

5.2. This Agreement creates no financial or non-financial responsibilities regarding individual PAs. Detailed descriptions of the financial and non-financial arrangements for a specific Project, including, at a minimum, each Party's share of the total Project cost, shall be contained in that PA.

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

- 5.3.1. costs associated with any unique national requirements identified by a Party; and
- 5.3.2. any other costs not expressly stated as shared costs or any costs that are outside the scope of this Agreement and its PAs.

5.4. A Party shall promptly notify the other Party if available funds are not adequate to fulfill its obligations under a PA. If a Party notifies the other Party that it is terminating or reducing its funding for a PA, both Parties shall immediately consult with a view toward continuation on a changed or modified basis.

5.5. For a Project where one Party contracts on behalf of the other Party or on behalf of both Parties, the POs shall be responsible for establishing the detailed financial management procedures under which the Project shall operate. These procedures, which must accord with the national laws and accounting and audit requirements of the Party, shall be detailed in a Financial Management Procedures Document (FMPD) prepared by the POs and subject to the approval of the SC, as appropriate.

5.6. For a Project where one Party contracts on behalf of the other Party or both Parties, each Party shall provide funds for the Project in accordance with the estimated schedule of financial contributions contained in the FMPD, which shall be consistent with paragraph 5.10. of this Article.

5.7. For PAs with shared costs that involve the establishment of a JPO with Cooperative Project Personnel (CPP) assignments, the PA shall address the financial and non-financial contributions

required for JPO administration and associated support services including, but not limited to, JPO costs of travel incurred in support of Project efforts, JPO training costs, Contract award, Contract administration, office space, security services, information technology services, communications services, and supplies.

5.8. In addition to the shared costs of JPO administration and associated support services costs described in paragraph 5.7. of this Article, the cost of personnel in the JPO shall be borne as follows:

5.8.1. The Host Party shall bear the costs of all pay and allowances of Host Party personnel in the JPO.

5.8.2. The Parent Party shall bear the following CPP-related costs:

5.8.2.1. all pay and allowances of CPP assigned to the JPO;

5.8.2.2. housing expenses of CPP assigned to the JPO;

5.8.2.3. transportation of CPP, CPP dependents, and their personal property to the JPO location prior to commencement of the CPP assignment in the JPO, and return transportation of the foregoing from the JPO location upon completion or termination of the CPP assignment;

5.8.2.4. compensation for loss of, or damage to, the personal property of CPP or CPP dependents, subject to the laws and regulations of the Parent party's government; and

5.8.2.5. preparation and shipment of remains and funeral expenses in the event of the death of CPP or CPP dependents.

5.9. For PAs without shared costs that involve the establishment of one or more bi-national offices with CPP assignments, the Parties shall bear costs related to bilateral offices established under such PAs as follows.

5.9.1. The Host Party shall bear the following costs:

5.9.1.1. all pay and allowances of Host Party personnel assigned to the bi-national office; and

5.9.1.2. bi-national office costs including, but not limited to, CPP assignment-related administrative and support services costs such as CPP costs of travel incurred in support of Project efforts, CPP-related training costs, Contract award, Contract administration, office space, security services, information technology services, communications services, and supplies.

5.9.2. The Parent Party shall bear the following costs:

5.9.2.1. all pay and allowances of CPP assigned to the bi-national office;

5.9.2.2. housing expenses of CPP assigned to the bi-national office;

5.9.2.3. transportation of CPP, CPP dependents, and their personal property to the JPO location prior to commencement of the CPP assignment at a location specified by the Host Party, and return transportation of the foregoing from this location upon completion or termination of the CPP assignment;

5.9.2.4. compensation for loss of, or damage to, the personal property of CPP or CPP dependents, subject to the laws and regulations of the Parent Party's government; and

5.9.2.5. preparation and shipment of remains and funeral expenses in the event of the death of CPP or CPP dependents.

5.10. The Parties recognize that in performing Contracting responsibilities under a PA, it may become necessary for one Party to incur contractual or other obligations for the benefit of the other Party or both Parties prior to the receipt of the other Party's funds. In the event 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 shall 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.

ARTICLE VI

CONTRACTING PROVISIONS

6.1. Prior to the signature of a PA, each Party, in consultation with the other Party, shall determine if Contracting is necessary to fulfill its responsibilities under that PA and so indicate in the PA. In such event, that Party shall contract in accordance with its respective national laws, regulations, and procedures.

6.2. When one Party individually contracts to undertake a task under a PA, it shall be solely responsible for its own Contracting, and the other Party shall not be subject to any liability arising from such Contracts.

6.3. If the Parties determine that it is necessary under a PA that one Party contract on behalf of the other Party or both Parties for tasks under the PA, the Party shall contract in accordance with its respective national laws, regulations, and procedures. The Contracting Officer shall be the exclusive source for providing contractual direction and instructions to Contractors. The POs shall be responsible for the coordination of activities relating to this Agreement and its PAs, and shall cooperate with the Contracting Officer in the areas of Contract procedures, Contract negotiation, evaluation of offers, and Contract award. The Contracting Officer shall also keep the POs advised of all financial arrangements with Contractors.

6.4. For all Contracting activities performed by either Party, the PO shall, upon request, provide a copy of all statements of work for information prior to the issuance of solicitations.

6.5. Each Party's Contracting Agency shall negotiate to obtain the rights to use and disclose Project Information required by Article IX (Disclosure and Use of Project Information) of this Agreement. During the Contracting process, each Party's Contracting Officer shall advise prospective Contractors of their obligation to notify the Contracting Agency immediately if they are subject to any license or agreement that shall restrict that Party's freedom to disclose information or permit its use. The Contracting Officer shall also advise prospective Contractors to employ their best efforts not to enter into any new agreement or arrangement that shall result in restrictions.

6.6. Each Party's Contracting Agency shall insert into its prospective Contracts (and require its Contractors to insert in subcontracts) suitable provisions to satisfy the requirements of this Agreement, including Article IX (Disclosure and Use of Project Information), Article X (Controlled Unclassified Information), Article XII (Security), Article XIII (Third Party Sales and Transfers), Article XVI (General Provisions), and Article XVIII (Entry into Force, Duration, Amendment, and Termination), including suitable provisions to ensure compliance with the Parties' respective export control laws and export control implementing regulations, and any corresponding provision in the PAs.

6.7. Each Party shall establish legal arrangements with its Contractors to ensure that its Contractors do not retransfer or otherwise use export-controlled Information furnished by the other Party for any purpose other than the purposes authorized under this Agreement. Such legal arrangements shall also provide that the Contractor shall not retransfer the export-controlled Information to another Contractor or subcontractor unless that Contractor or subcontractor has been legally bound to limit use of the Information to the purposes authorized under this Agreement. Export-controlled information furnished by one Party under this Agreement or the applicable PA may only be retransferred by the other Party to its Contractors if the legal arrangements required by this paragraph have been established. Such legal arrangements shall also provide that the Contractor shall not retransfer the export-controlled information to another Contractor or entity without the furnishing Party's written consent.

6.8. Each Party shall establish legal arrangements with its Prospective Contractors to ensure that its Prospective Contractors do not retransfer or otherwise use export-controlled Information furnished by the other Party for any purpose other than responding to a solicitation issued in furtherance of the purposes authorized under this Agreement. Prospective Contractors shall not be authorized any other end use if they are not awarded a Contract. Such legal arrangements shall also provide that the Prospective Contractors shall not retransfer the export-controlled Information to a prospective subcontractor unless that prospective subcontractor has been legally bound to limit use of the export-controlled Information for the purpose of responding to the solicitation. Export-controlled Information furnished by one Party under this Agreement may only be retransferred by the other Party to its Prospective Contractors if the legal arrangements required by this paragraph have been established. Upon request, either Party shall provide visibility into the identity of Prospective Contractors and prospective subcontractors receiving export-controlled Information.

6.9. In the event a Party's Contracting Agency is unable to secure adequate rights to use and disclose Project Information as required by Article IX (Disclosure and Use of Project Information) of this Agreement, or is notified by Contractors or potential Contractors of any restrictions on the disclosure and use of information, that Party's PO shall notify the other Party's PO of the restriction(s).

6.10. Each Party's PO shall promptly advise the other Party's PO of any cost growth, schedule delay, or performance problems of any Contractor for which its Contracting Agency is responsible.

ARTICLE VII

WORK SHARING

7.1. After the scope of a Project has been fully defined with regard to both the technical and the financial contents, each Party shall work toward the goal that the work to be performed under a PA to this Agreement shall be equitably shared, taking into account the technical merit, and the need to achieve the timely, economical, and efficient execution of the Project. This work shall encompass those requirements contained in the Scope of Work of the PA that are common to the Parties and are funded under the Project.

7.2. Each Party shall encourage its Contractors to provide competitive opportunities to sources from the other Party to participate in the work of a Project, provided that such participation does not adversely impact the Project.

7.3. No requirement shall be imposed by either Party for work sharing or other industrial or commercial compensation in connection with this Agreement and any PA that is not in accordance with this Agreement.

ARTICLE VIII

PROJECT EQUIPMENT

8.1. For the purpose of carrying out a PA, each Party may provide to the other Party such Project Equipment identified as being necessary for the corresponding Project. A list of all Project Equipment provided by one Party to another Party shall be developed, maintained, and amended by the POs. If an SC is formed, the SC will approve the list of Project Equipment.

8.2. Project Equipment is provided only for the purposes set forth in the Objectives section of the applicable PA, unless otherwise consented to in writing by the providing Party. The providing Party shall supply the receiving Party with all the relevant technical information needed to use, inspect, maintain, and repair the Project Equipment. Project Equipment shall remain the property of the providing Party. In addition, the receiving Party shall maintain Project Equipment in good order, repair, and operable condition and shall return it in as good condition as received, normal wear and tear excepted, unless the providing Party has approved in the PA the expenditure or consumption of Project Equipment as necessary for the purposes of the PA. Such expenditure or consumption shall be without reimbursement to the providing Party. However, the receiving Party shall bear the cost of any damage to (other than normal wear and tear) or loss of Project Equipment provided to it that is not approved for expenditure or consumption. If the Project Equipment is damaged beyond economical repair, the receiving Party shall return the Project Equipment to the providing Party (unless otherwise specified in writing by the providing Party) and pay its replacement value as computed pursuant to the providing Party's national laws and regulations. If Project Equipment is lost while in the custody of the receiving Party, the receiving Party shall issue a certificate of loss to the providing Party and pay the replacement value as computed pursuant to the providing Party's national laws and regulations. The replacement value of the Project Equipment shall be specified in the list of Project Equipment referenced in paragraph 8.1. of this Article.

8.3. The providing Party shall furnish the Project Equipment in a serviceable and usable condition for the purposes of the PA. However, the providing Party makes no warranty or guarantee of fitness of the Project Equipment for a particular purpose or use, and makes no commitment to alter, improve, or adapt the Project Equipment or any part thereof.

8.4. The providing Party shall deliver the Project Equipment to the receiving Party at a mutually agreed location. Custody of the Project equipment shall pass from the providing Party to the receiving Party at the time of receipt. Any further transportation is the responsibility of the receiving Party.

8.5. The receiving Party shall inspect and inventory the Project Equipment upon receipt. The receiving Party shall also inspect and inventory the Project Equipment prior to its return (unless the Project Equipment is to be expended or consumed.)

8.6. Prior to expiration or termination of the PA, the receiving Party shall return, at its own cost, Project Equipment to the providing Party at a mutually agreed location. The receiving Party shall provide written notice of consumption or expenditure of Project Equipment not intended for return. In the event the intended consumption or expenditure does not occur, the receiving Party shall return the Project Equipment to the providing Party at a mutually agreed location. Any further transportation is the responsibility of the providing Party.

8.7. The Parties shall ensure, by all reasonable means, the protection of intellectual property rights in Project Equipment in accordance with the Parties' applicable national laws and regulations.

8.8. Any Project Equipment which is jointly acquired on behalf of the Parties for use under this Agreement and a PA shall be disposed of during the applicable Project or when the Project ends as agreed in writing by RDT&E EA or SC, as appropriate.

8.9. Disposal of jointly acquired Project Equipment may include a transfer of the interest of one Party in such Project equipment to the other Party, or the sale of such Project Equipment to a Third Party in accordance with Article XIII (Third Party Sales and Transfers) of this Agreement. The Parties shall share the consideration from jointly acquired Project Equipment transferred or sold to a Third Party in the same ratio as costs are shared under the PA.

ARTICLE IX

DISCLOSURE AND USE OF PROJECT INFORMATION

9.1. General

- 9.1.1. Both Parties recognize that successful collaboration depends on full and prompt exchange of information necessary for carrying out each PA and the use of the results of collaboration. The nature and amount of Project Information to be acquired shall be in accordance with Article II (Objective), Article VI (Contracting Provisions), and the PAs to this Agreement. Subject to the rights both Parties are accorded under this Agreement, title to Project Foreground Information generated by a Party or its Contractor shall reside in that Party or its Contractors, in accordance with that Party's national laws, regulations, and policies. Transfer of such Information to Contractors shall be consistent with each Party's applicable export control laws and regulations.
- 9.1.2. Transfer of Project Information shall be consistent with furnishing Party's applicable export control laws and regulations. Unless otherwise restricted by duly authorized officials of the furnishing Party at the time of transfer to the other Party, all export-controlled Information furnished by one Party to the other Party may be retransferred to the other Party's Contractors, subcontractors, Prospective Contractors, and prospective subcontractors, subject to the requirements of paragraphs 6.7. and 6.8. of Section VI (Contracting Provisions) of this Agreement. Export-controlled Information may be furnished by U.S. Contractors and their subcontractors, or U.S. Prospective Contractors and their prospective subcontractors, to the ROK Contractors, subcontractors, Prospective Contractors, and prospective subcontractors pursuant to this Agreement subject to the conditions established in licenses or other approvals issued by the U.S. Government under the requirements of the Arms Export Control Act and the International Traffic in Arms Regulations, and the Export Administration Act and the Export Administration Regulations, and any amendments thereto. Export-controlled Information may be furnished by ROK Contractors and their subcontractors or ROK Prospective Contractors and their prospective subcontractors to the U.S. Contractors, subcontractors, Prospective Contractors, and prospective subcontractors pursuant to this Agreement subject to the conditions established in licenses or other approvals issued by the ROK Government under its requirements and regulations, and any amendments thereto. The furnishing of all export-controlled Information by the Contractors and subcontractors of one Party's nation to those of the other pursuant to this Agreement shall be subject to the conditions established in export licenses or other approvals issued by the government of the exporting Contractor or sub-contractor in

accordance with that exporting nation's applicable export control laws and regulations.

9.2. Government Project Foreground Information

9.2.1. Disclosure: Project Foreground Information generated in the performance of the Project by a Party's military or civilian employees shall be disclosed without charge to both Parties.

9.2.2. Use: Each Party may use all Government Project Foreground Information, without charge, for Defense Purposes. The Party generating Government Project Foreground Information shall also retain its rights of use thereto. A sale or other transfer to a Third Party shall be subject to the provisions of Article XIII (Third Party Sales and Transfers) of this Agreement.

9.3. Government Project Background Information

9.3.1. Disclosure: Each Party, upon request, shall disclose to the other Party any relevant Government Project Background Information generated by its military or civilian employees outside the scope of this Agreement, provided that:

9.3.1.1. such Project Background Information is necessary to or useful in the Project, with the Party in possession of the information determining whether it is "necessary to" or "useful in" the Project;

9.3.1.2. Project Background Information subject to intellectual property protection may be made available only with the authorization of the rights holders ;

9.3.1.3. disclosure is consistent with national disclosure policies and national regulations of the furnishing Party; and

9.3.1.4. any disclosure or transfer of such Government Project Background Information to Contractors is consistent with the furnishing Party's export control laws and regulations.

9.3.2. Use: Government Project Background Information disclosed by one Party to the other may be used without charge by the other Party for the Project purposes of the particular PA. However, subject to proprietary rights held by other than the Parties and subject to the provisions of paragraph 13.4. of Article XIII (Third Party Sales and Transfers) of this Agreement, such Project Background Information may be used for other Defense Purposes by the other Party without charge when the use of such information is necessary for the use of the Project Foreground Information. The furnishing Party, in consultation with the other Party, shall determine whether the use of such information is necessary. The

furnishing Party shall retain all its rights with respect to such Project Background Information.

9.4. Contractor Project Foreground Information

- 9.4.1. Disclosure: Project Foreground Information generated and delivered by Contractors shall be disclosed without charge to both Parties.
- 9.4.2. Use: Each Party may use without charge for its Defense Purposes all Contractor Project Foreground Information generated and delivered by Contractors of the other Party. The Party whose Contractors generate and deliver Contractor Project Foreground Information shall also retain rights of use thereto in accordance with the applicable Contract(s). Any sale or other transfer to a Third Party of Contractor Project Foreground Information shall be subject to the provisions of Article XIII (Third Party Sales and Transfers) of this Agreement.

9.5. Contractor Project Background Information

- 9.5.1. Disclosure: Any relevant Project Background Information, (including information subject to proprietary rights) generated and delivered by Contractors or other entities under Contracts awarded by a Party outside the scope of this Agreement shall be made available to the other Party provided the following conditions are met:
 - 9.5.1.1. such Project Background Information is necessary to or useful in the Project, with the Party in possession of the information determining whether it is "necessary to" or "useful in" the Project;
 - 9.5.1.2. Project Background Information subject to intellectual property protection may be made available only with the authorization of the rights holders;
 - 9.5.1.3. disclosure is consistent with national disclosure policies and national regulations of the furnishing Party; and
 - 9.5.1.4. any disclosure or transfer of such Contractor Project Background Information to Contractors is consistent with the furnishing Party's export control laws and regulations.
- 9.5.2. Use: Project Background Information furnished by one Party's Contractors and disclosed to the other Party may be used without charge by the other Party for the Project purposes of the particular PA. However, subject to any further restrictions by holders of proprietary rights, and subject to the provisions of paragraph 13.4. of Article XIII (Third Party Sales and Transfers) of this Agreement, such Project Background Information may be used for other Defense Purposes in accordance with such fair and reasonable terms as are arranged with the Contractor.

However, the furnishing Party shall retain all its rights with respect to such Project Background Information.

9.6. Alternative Uses of Project Information

- 9.6.1. The prior written consent of each Party shall be required for the use of any Project Foreground Information for purposes other than those provided for in this Agreement or any PA under it.
- 9.6.2. Any Project Background Information provided by one Party shall be used by the other Party only for the purposes set forth in this Agreement or any PA under it, unless otherwise consented to in writing by the providing Party.

9.7. Proprietary Project Information

- 9.7.1. All unclassified Project Information subject to proprietary interests shall be identified and marked, and it shall be handled as Controlled Unclassified Information. All classified Project Information subject to proprietary rights shall be so identified and marked.
- 9.7.2. The provisions of the "Agreement between the Government of the United States of America and the Government of the Republic of Korea for the Safeguarding of Secrecy of Inventions Relating to Defense and for Which Applications for Patents Have Been Made," entered into force July 29, 1993, shall apply to proprietary Project Information related to this RDT&E Agreement and any subsequent PAs.

9.8. Patents

- 9.8.1. Where a Party owns title to a Project Invention, or has the right to receive title to a Project Invention, that Party shall consult with the other Party regarding the filing of a Patent application for such Project Invention. The Party that has or receives title to such Project Invention shall, in other countries, file, cause to be filed, or provide the other Party with the opportunity to file on behalf of the Party holding title, or its Contractors, as appropriate, Patent applications covering that Project Invention. If a Party having filed or caused to be filed a Patent application decides to stop prosecution of the application, that Party shall notify the other Party of that decision and permit the other Party to continue the prosecution.
- 9.8.2. The other Party shall be furnished with copies of Patent applications filed and Patents granted with regard to Project Inventions.
- 9.8.3. The other Party shall acquire a non-exclusive, irrevocable, royalty-free license to practice or have practiced, by or on behalf of the Party, throughout the world for Defense Purposes, any Project Invention.

- 9.8.4. Patent applications that contain Classified Information, to be filed under this Agreement, shall be protected and safeguarded in accordance with the requirements contained in the "Agreement between the Government of the United States of America and the Government of the Republic of Korea for the Safeguarding of Secrecy of Inventions Relating to Defense and for Which Applications for Patents Have Been Made," entered into force July 29, 1993 and any subsequent PAs.
- 9.8.5. Each Party shall notify the other Party of any Patent infringement claims made in its territory arising in the course of work performed under a PA. Insofar as possible, the other Party shall provide information available to it that may assist in defending the claim. Each Party shall be responsible for handling all Patent infringement claims made in its territory, and shall consult with the other Party during the handling, and prior to any settlement, of such claims. The Parties shall share the costs of resolving Patent infringement claims in the same percentage as costs are shared under a PA, unless otherwise specified in the PA. The Parties shall, in accordance with their national laws and practices, give their authorization and consent for all use and manufacture in the course of work performed under a PA of any invention covered by a Patent issued by their respective countries.

ARTICLE X

CONTROLLED UNCLASSIFIED INFORMATION

10.1. Except as otherwise provided in this Agreement or as authorized in writing by the originating Party, Controlled Unclassified Information provided or generated pursuant to a PA to this Agreement shall be controlled as follows:

- 10.1.1. Such information shall be used only for the purposes authorized for use of Project Information as specified in Article IX (Disclosure and Use of Project Information) of this Agreement.
- 10.1.2. Access to such information shall be limited to personnel whose access is necessary for the permitted use under subparagraph 10.1.1. of this Article, and shall be subject to the provisions of Article XIII (Third Party Sales and Transfers) of this Agreement.
- 10.1.3. Each Party shall 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. of this Article unless the originating Party 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 shall be given to the originating Party.

10.2. To assist in providing the appropriate controls, the originating Party shall ensure that Controlled Unclassified Information is appropriately marked. The Parties shall decide, in advance and in writing, on the markings to be placed on the Controlled Unclassified Information. The appropriate markings shall be defined in the appropriate project documentation, such as the Project Security Instruction or the Project Plan.

10.3. Controlled Unclassified Information provided or generated pursuant to a PA to this Agreement shall be handled in a manner that ensures control as provided for in paragraph 10.1. of this Article.

10.4. Prior to authorizing the release of Controlled Unclassified Information to Contractors, the Parties shall ensure the Contractors are legally bound to control such information in accordance with the provisions of this Article.

ARTICLE XI

VISITS TO ESTABLISHMENTS

11.1. Each Party shall permit visits to its government establishments, agencies and laboratories, and Contractor industrial facilities by employees of the other Party or by employees of the other Party's Contractor(s), provided that the visit is authorized by both Parties and the employees have any necessary and appropriate security clearances and a need-to-know.

11.2. All visiting personnel shall be required to comply with security regulations of the Host Party. Any information disclosed or made available to visitors shall be treated as if supplied to the Party sponsoring the visiting personnel, and shall be subject to the provisions of this Agreement.

11.3. Requests for visits by personnel of one Party to a facility of the other Party shall be coordinated through official channels, and shall conform with the established visit procedures of the host country. Requests for visits shall bear the name of this Agreement and the appropriate PA.

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

ARTICLE XII

SECURITY

12.1. All Classified Information provided or generated pursuant to this Agreement and any of its PAs shall be stored, handled, transmitted, and safeguarded in accordance with the "Agreement Between the Department of Defense of the United States of America and The Ministry of National Defense of the Republic of Korea Concerning Exchange of Research and Development Information," which entered into force October 13, 2009, and the "Security Agreement between the Government of the United States of America and the Government of the Republic of Korea Governing the Protection of Classified Military Information," which entered into force September 24, 1987.

12.2. Classified Information shall be transferred only through official government-to-government channels or through channels approved by the Designated Security Authorities (DSAs) or National Security Authorities (NSA), as appropriate, of the Parties. Such Classified Information and material shall bear the level of classification and denote the country of origin, the conditions of release, and the fact that the information relates to this Agreement and the applicable PA.

12.3. Each Party shall take all lawful steps available to it to ensure that Classified Information provided or generated pursuant to this Agreement and any of its PAs is protected from further disclosure, except as permitted by paragraph 12.8. of this Article unless the other Party consents in writing to such disclosure. Accordingly, each Party shall ensure that:

12.3.1. The recipient shall not release the Classified Information to any government, national, organization, or other entity of a Third Party except as permitted under the procedures set forth in Article XIII (Third Party Sales and Transfers) of this Agreement.

12.3.2. The recipient shall not use the Classified Information for other than the purposes provided for in this Agreement and any of its PAs.

12.3.3. The recipient shall comply with any distribution and access restrictions on information that is provided under this Agreement and any of its PAs.

12.4. The Parties shall investigate all cases in which it is known or where there are grounds for suspecting that Classified Information provided or generated pursuant to this Agreement and any of its PAs has been lost or disclosed to unauthorized persons. Each Party also shall promptly and fully inform the other Party of the details of any such occurrence, and of the final results of the investigation and of the corrective action taken to preclude recurrence.

12.5. When a PA contains provisions for the exchange of Classified Information, the POs shall prepare a Project Security Instruction (PSI) and a Classification Guide (CG). The PSI and the CG shall describe the methods by which Project Information and material shall be classified, marked, used, transmitted, and safeguarded. The PSI and CG shall be developed by the PO within three months after the PA enters into force. They shall be reviewed and forwarded to the appropriate DSA or NSA and shall be applicable to all Government and Contractor personnel participating in the PA. The CG shall be subject to regular review and revision with the aim of downgrading the classification whenever this is appropriate. The PSI and the CG shall be approved by the appropriate DSA or NSA prior to the transfer of any Classified Information or Controlled Unclassified Information.

12.6. The DSA or NSA, as appropriate, of a Party that awards a Classified Contract under this Agreement shall assume responsibility for administering within its territory security measures for the protection of the Classified Information, in accordance with its national laws and regulations. Prior to the release to a Contractor, prospective Contractor, or subcontractor of any Classified Information received under this Agreement, the DSAs or NSAs, as appropriate, shall:

- 12.6.1. ensure that such Contractor, prospective Contractor, or subcontractors and their facility (ies) have the capability to protect the Classified Information adequately;
- 12.6.2. grant a security clearance to the facility (ies), if appropriate;
- 12.6.3. grant a security clearance for all personnel whose duties require access to Classified Information, if appropriate;
- 12.6.4. 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 Agreement and the applicable PA;
- 12.6.5. carry out periodic security inspections of cleared facilities to ensure that the Classified Information is properly protected; and
- 12.6.6. ensure that access to the Classified Information is limited to those persons who have a need-to-know for purposes of a Project.

12.7. Contractors, prospective Contractors, or subcontractors who are determined by the DSA or NSA, as appropriate, 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 Agreement and any of its PAs only when enforceable measures are in effect to ensure that other entities of a Third Party shall not have access to Classified Information. If enforceable measures are not in effect to preclude access by other entities of a Third Party, the other Party shall be consulted for approval prior to permitting such access.

12.8. For any facility wherein Classified Information is to be used, the responsible Party or Contractor shall approve the appointment of a person or persons to exercise effectively the responsibilities for safeguarding at such facility the information pertaining to this Agreement and any of its PAs. These officials shall be responsible for limiting access to Classified Information or material involved in the Agreement and any PAs to those persons who have been properly approved for access and have a need-to-know.

12.9. Each Party shall 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 Classified Information in order to participate in this Agreement and any of its PAs.

12.10. Information or material provided or generated pursuant to this Agreement and any of its PAs may be classified as high as SECRET. The existence of this Agreement is UNCLASSIFIED and the contents are UNCLASSIFIED. The classification of the existence of any PA and its contents will be stated in that PA.

ARTICLE XIII

THIRD PARTY SALES AND TRANSFERS

13.1. Each Party shall retain the right to sell, transfer title to, disclose, or transfer possession of Project Foreground Information:

13.1.1. that is generated solely by either that Party or that Party's Contractors in the performance of that Party's work allocation under a PA; and

13.1.2. that does not include any Project Foreground Information or Project Background Information of the other Party and whose generation, test or evaluation has not relied on the use of Project Equipment of the other Party.

13.2. In the event questions arise as to whether the Project Foreground Information (or any item produced either wholly or in part from Project Foreground Information) that a Party intends to sell, transfer title to, disclose, or transfer possession of to a Third Party is within the scope of paragraph 13.1. of this Article, the matter shall be brought to the immediate attention of the other Party's PO. The Parties shall resolve the matter prior to any sale or other transfer of such Project Foreground Information (or items produced wholly or in part from such Project Foreground Information) to a Third Party.

13.3. Except to the extent permitted in paragraph 13.1. of this Article, the Parties shall not sell, transfer title to, disclose, or transfer possession of Project Foreground Information (or any item produced either wholly or in part from Project Foreground Information) or jointly acquired Project Equipment to any Third Party without the prior written consent of the other Party. Furthermore, neither Party shall permit any such sale, disclosure, or transfer, including by the owner, without the prior written consent of the other Party. Such consent shall not be given unless the receiving Party agrees in writing with the providing Party that it shall:

13.3.1. not retransfer, or permit the further retransfer of, any equipment or information provided; and

13.3.2. use, or permit the use of, the equipment or information provided only for the purposes specified by the Parties.

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

ARTICLE XIV

LIABILITY AND CLAIMS

14.1. Claims for loss of or damage to Project Equipment provided under Article VIII (Project Equipment) of this Agreement shall be dealt with in accordance with paragraph 8.2.

14.2. Claims arising under or related to any Contract awarded pursuant to Article VI (Contracting Provisions) of this Agreement shall be resolved in accordance with the provisions of the Contract.

14.3. Employees and agents of Contractors shall not be considered to be civilian personnel employed by a Party for the purpose of paragraph 14.1. of this Article.

14.4. In case of damage caused to or by jointly acquired Project Equipment, where the cost of making good such damage is not recoverable from other persons, such cost shall be borne by the Parties according to the same percentages as costs are shared under the PA.

ARTICLE XV

CUSTOMS DUTIES, TAXES, AND SIMILAR CHARGES

15.1. Customs duties, import and export taxes, and similar charges shall be administered in accordance with each Party's respective national laws and regulations. Insofar as existing national laws and regulations permit, the Parties shall 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 each PA.

15.2. Each Party shall use its best efforts to ensure that the Party's relevant tax authorities or government entities administer customs duties, import and export taxes, and similar charges in a manner favorable to the efficient and economical conduct of the work. If any such duties, taxes, or similar charges are levied, the Party in whose country they are levied shall bear such costs.

ARTICLE XVI

GENERAL PROVISIONS

16.1. PAs shall be entered into pursuant to this Agreement and shall incorporate by reference the provisions of this Agreement. Detailed provisions of each individual PA shall include, at a minimum, provisions concerning the objective, scope of work, management structure, financial arrangements, contractual arrangements (if required), security classification, responsibilities of the Parties, and other provisions as required, in accordance with the format attached as Annex A (to be used as a guideline).

16.2. Disputes between the Parties arising under or relating to this Agreement shall be resolved only by consultation between the Parties and shall not be referred to a national court, an international tribunal, or to any other person or entity for settlement.

16.3. In the event of a conflict between the terms of this Agreement and any PA, this Agreement shall take precedence.

16.4. All activities of the Parties under this Agreement shall be carried out in accordance with their national laws and regulations, including their export control laws and regulations, and the obligations of the Parties shall be subject to the availability of appropriated funds for such purposes.

16.5. This Agreement supersedes the TRDP MOU, which shall terminate upon the entry into force of this Agreement, except as follows:

16.5.1. The TRDP MOU shall remain in force as to all PAs that were entered into under the TRDP MOU and that have not expired prior to the entry into force of this Agreement.

16.5.2. The terms of the TRDP MOU shall continue to apply to the PAs described in subparagraph 16.5.1. of this Article for as long as such PAs are in force.

ARTICLE XVII

LANGUAGE

17.1. The working language for this Agreement and its PAs shall be the language of the nation in which the work is performed; working discussions may be conducted in either the English or Korean (Hangul) language.

17.2. All data and information generated under the Agreement, its PAs, and its implementing Contracts and provided by a Party to the other Party shall be furnished in the English language.

17.3. Official decision sheets, meeting records and official reports issued by SCs and POs shall be furnished in the English language.

17.4. Contracts shall be drawn up in the language of the nation awarding the Contract.

ARTICLE XVIII

ENTRY INTO FORCE, DURATION, AMENDMENT, AND TERMINATION

18.1. This Agreement, which consists of 18 Articles and one Annex, shall enter into force on the date of the last signature by both Parties and shall remain in force for 25 years. It may be extended by written consent of the Parties. All PAs shall automatically terminate upon the termination or expiration of this Agreement.

18.2. This Agreement may be amended only by the mutual written consent of the Parties. Any of the PAs under this RDT&E Agreement may be amended only by the written consent of authorized representatives of the Parties.

18.3. The Parties may, upon written consent, terminate at any time this Agreement and any of its PAs. In the event both Parties agree to terminate this Agreement or one of its PAs, the Parties shall consult prior to the date of termination to ensure termination on the most economical and equitable terms.

18.4. Either Party may terminate this Agreement or any PA at any time and the termination will take effect 180 days after its written notification to the other Party. Such notice shall be the subject of immediate consultation to decide upon the appropriate course of action.

18.5. In the event of termination of this Agreement or any of its PAs, the following rules apply:

18.5.1. The terminating Party shall continue participation, financial or otherwise, up to the effective date of termination.

18.5.2. Except as to Contracts awarded on behalf of both Parties, each Party shall be responsible for its own Project-related costs associated with termination of the Project. For Contracts awarded on behalf of both Parties, the terminating Party shall pay for all Contract modification and termination costs that would not otherwise have been incurred but for the decision to terminate. However, in no event shall a terminating Party's total financial contribution, including Contract termination costs, exceed that Party's total financial contribution for the PA being terminated.

18.5.3. All Project Information and rights therein received under the provisions of this Agreement and any of its PAs prior to the termination shall be retained by the Parties, subject to the provisions of this Agreement and its PAs.

18.5.4. If requested by the other Party, the terminating Party may continue to administer Project Contract(s) which it awarded on behalf of the other Party on a reimbursable basis.

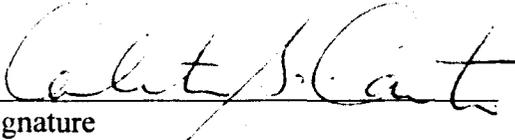
18.5.5. Each Party shall make available to the other Party all Project Foreground Information generated and delivered prior to termination, and which has not been provided to the other Party prior to the termination.

18.6. The respective rights and responsibilities of the Parties regarding Article VIII (Project Equipment), Article IX (Disclosure and Use of Project Information), Article X (Controlled Unclassified Information), Article XII (Security), Article XIII (Third Party Sales and Transfers), Article XIV (Liability and Claims), and this Article XVIII (Entry into Force, Duration, Amendment, and Termination) shall continue notwithstanding termination or expiration of this Agreement and any of its PAs.

IN WITNESS WHEREOF, the undersigned, being duly authorized, have signed this Agreement.

DONE, in duplicate, in the English and Korean languages, both texts being equally authentic.

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


Signature

Ashton B. Carter

Name

**Under Secretary of Defense for
Acquisition, Technology and Logistics**

Title

November 5, 2009

Date

Washington, DC, USA

Location

FOR THE MINISTRY OF NATIONAL
DEFENSE OF THE REPUBLIC OF
KOREA:


Signature

Byun, Moo Keun

Name

Commissioner of DAPA

Title

November 5, 2009

Date

Washington, DC, USA

Location

ANNEX A (SAMPLE PROJECT AGREEMENT)

TO THE

U.S. DoD – ROK MND RESEARCH, DEVELOPMENT, TEST, AND EVALUATION
PROJECTS AGREEMENT

DATED

PROJECT AGREEMENT NO. _____ *

BETWEEN

THE DEPARTMENT OF DEFENSE
OF THE UNITED STATES OF AMERICA

AND THE

MINISTRY OF NATIONAL DEFENSE
OF THE REPUBLIC OF KOREA

CONCERNING

(FULL DESIGNATION OF THE PROJECT)

*The Project Agreement Numbers shall be structured as follows: RDT&E: KS **XX-NN-nnnn** where **XX** is a U.S. Military Service or Defense Agency designator such as **N** for Navy, **A** for Army, **AF** for Air Force, **DA** for DARPA, etc.; **NN** is the calendar year, and **nnnn** is a sequential number.

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INTRODUCTION

This Project Agreement (PA) hereby establishes the _____
(insert name of Project) as a Project in accordance with the Agreement between the Department of Defense of the United States of America and the Ministry of Defense of the Republic of Korea for Research, Development, Test, and Evaluation (RDT&E) Projects, which entered into force on **(date)**, the terms of which are hereby incorporated by reference.

ARTICLE I

DEFINITION OF TERMS AND ABBREVIATIONS

(Define only those terms used in this PA that have not been defined in the RDT&E Agreement).

ARTICLE II

OBJECTIVES

The objectives of this _____ Project are:

(For example:

- a. the development of _____
- b. the improvement of _____
- c. the investigation of _____)

ARTICLE III

SCOPE OF WORK

The following tasks shall be undertaken under this PA.

(For example:

- a. Research _____
- b. Develop _____

- c. Evaluate _____
- d. Design, fabricate and test _____)

ARTICLE IV

SHARING OF TASKS

(Applicable when the work may be apportioned into discrete work packages that are assigned as an individual Party's primary responsibility)

The sharing of tasks shall be as follows:

(For example:

- a. The DoD shall _____
- b. The MND shall _____
- c. DoD and MND shall jointly _____)

ARTICLE V

BREAK DOWN AND SCHEDULE OF TASKS

(OPTIONAL)

(When the tasks covered under Project may be performed using multiple phases, requiring milestones or decision points).

The Project shall proceed according to the following phases and schedule

<u>Phase 1</u>	<u>Start</u>	<u>End</u>
Description of Phase 1	MM/YY	MM/YY
(Milestone 1) (e.g., Transmittal of Feasibility Report)		
<u>Phase 2</u>	<u>Start</u>	<u>End</u>
Description of Phase 2	MM/YY	MM/YY
(Milestone 2) (e.g., Decision to proceed to phase		

ROK PO

Title/Position _____

Organization _____

Address _____

3. Particular Management Procedures:

(Mention only those additional management responsibilities not covered under Section IV of the RDT&E Agreement. For instance, if a PA shall be administered by a Joint Program Office that includes CPPs, add the following paragraph:

4. A Joint Program Office (JPO) will be established in [location]. Provisions for Cooperative Project Personnel (CPP) in the JPO are provided in Appendix 1 of this PA.)

ARTICLE VII

FINANCIAL ARRANGEMENTS

The Parties estimate that the cost of performance of the tasks under this PA shall not exceed X U.S. dollars and Y ROK Won.

Cooperative efforts of the Parties over and above the jointly agreed tasks set forth in the SCOPE OF WORK, SHARING OF TASKS and FINANCIAL ARRANGEMENTS articles shall be subject to amendment to this PA or signature of a new PA.

(If a PA will involve the assignment of CPP, the PA shall include a provision that refers to paragraphs 5.7-5.9 of the RDT&E Agreement, identifies which Party is sending or hosting CPP, and specifies the number of CPP to be assigned. In addition, the PA shall include the amount of financial and non-financial contributions related to CPP in one of the two alternatives below in this article.)

(If a PA will not involve one Party Contracting for the other or for both Parties, and no funds shall be exchanged between the Parties, use Alternative 1 below for the Financial Arrangements. Both financial and non-financial contributions should be included in the total DoD and MND costs.)

Alternative 1

The DoD tasks shall not cost more than X U.S. dollars.

The MND tasks shall not cost more than Y ROK Won.

Or:

(If a PA shall involve one Party Contracting for the other Party or both Parties, or the Parties shall transfer or exchange funds between them, use the following format for the Financial Provisions.)

Alternative 2

(Cost of performance includes Financial and Non-financial Costs.)

	Year 1	Year 2	Year 3	Year 4	Year 5	Total
Korea						
U.S.						

(Using the above table and whatever description is necessary, explain and demonstrate how the PA shall be funded. Identify both financial (funds) and non-financial (e.g., range time, use of equipment, etc.) contributions.)

(For Alternative 2, the Financial Management Procedures Document (FMPD) should be developed by the POs and submitted to the SC (if appropriate) for approval. The FMPD should include as a minimum schedule, handling, funding levels by year, and auditing procedures for monetary contributions anticipated for this PA.)

ARTICLE VIII

CONTRACTING PROVISIONS

(if applicable)

The _____ (acting through the __) shall be responsible for Contracting under this PA in accordance with its national laws, regulations, and procedures and with Article VI of the RDT&E Agreement.

ARTICLE IX

LEVEL OF CLASSIFICATION

Only one of the three following possibilities must be selected:

- a. No Classified Information shall be exchanged under this PA; or

- b. The highest level of Classified Information exchanged under this PA is: CONFIDENTIAL;
or
- c. The highest level of Classified Information exchanged under this PA is: SECRET.

ARTICLE X

PRINCIPAL ORGANIZATIONS INVOLVED

(List government laboratories, research centers, and other organizations for both the U.S. and Korea)

ARTICLE XI

PROJECT EQUIPMENT

1. In the event that the collaborative efforts under this PA required the provision of Project Equipment to either Party, the POs shall prepare a list of such Project Equipment using the following table as a guideline:

Providing Party	Receiving Party	QTY	Description	Part/ Stock #	Consumables\ Non-Consumables	Approx. Value

ARTICLE XII

SPECIAL PROVISIONS

All activities of the Parties under this PA shall be carried out in accordance with their national laws and regulations, including their export control laws and regulations.

ARTICLE XIII

ENTRY INTO FORCE, DURATION, AND TERMINATION

This _____ PA, a Project under the Agreement between the Department of Defense of the United States of America and the Ministry of National Defense of the Republic of Korea for Research, Development, Test and Evaluation (RDT&E) Projects, shall enter into force upon its signature, and shall remain in force for _____ years unless terminated by either Party. It may be extended by mutual written consent of the Parties.

FOR THE DEPARTMENT OF DEFENSE
OF THE UNITED STATES OF AMERICA

FOR THE MINISTRY OF NATIONAL
DEFENSE OF THE REPUBLIC OF
KOREA

Signature

Signature

Name

Name

Title

Title

Date

Date

Location

Location

APPENDIX (1)

COOPERATIVE PROJECT PERSONNEL

1.0. Purpose and Scope

1.1. This appendix to the PA establishes the terms and conditions for Cooperative Project Personnel (CPP) assigned for work under this PA. CPP must be able to perform all responsibilities for the positions assigned to them under this PA. Commencement of assignments shall be subject to the requirements that may be imposed by the Host Party or its government regarding acceptance of CPP, such as, but not limited to, visas and visit request documentation. The Host Party and Parent Party shall determine the length of tour for the positions at the time of initial assignment.

1.2. CPP shall be assigned to perform work under this PA and shall report to a supervisor to be identified by the Host Party. CPP shall have a position description mutually determined by the Parent Party and Host Party. CPP shall not act as liaison officers for their Parent Party. However, such personnel may act from time to time on behalf of the Parent Party's SC representative if the latter so authorizes in writing.

1.3. CPP shall not be assigned to command or other positions that would require them to exercise responsibilities that are reserved by law or regulation to an officer or employee of the Host Party's government.

2.0. Security

2.1. The Host Party shall establish the level of security clearance required, if any, to permit CPP to have access to Classified Information and facilities. Access to Classified Information and facilities in which Classified Information is used shall be limited by the scope of this PA.

2.2. The Parent Party shall file visit requests through prescribed channels in compliance with the Host Party's procedures. As part of the visit request procedures, each Party shall cause security assurances to be filed, through the Korean Embassy in Washington, D.C., in the case of Korean personnel, and through the U.S. Embassy in Seoul, Korea, in the case of United States personnel, specifying the security clearances for the CPP being assigned.

2.3. The Host and Parent Party shall use their best efforts to ensure that CPP assigned to a Host Party's facility to conduct work under the PA are aware of the requirements of the RDT&E Agreement and this PA. On arrival, CPP and their dependents shall be informed by the Host Party's representative about applicable laws, orders, regulations, and customs and the need to comply with them. Prior to commencing assigned duties, CPP shall sign a certification concerning the conditions and responsibilities of CPP.

2.4. CPP shall at all times be required to comply with the security and export control laws, regulations, and procedures of the Host Party's government. Any violation of security procedures by CPP during their assignment shall be reported to the Parent Party for appropriate action. CPP committing significant violations of security laws, regulations, or procedures during their assignments shall be withdrawn from the Project with a view toward appropriate administrative or disciplinary action by their Parent Party.

2.5. All Classified Information made available to CPP shall be considered as Classified Information furnished to the Parent Party, and shall be subject to all provisions and safeguards provided for in Article XII (Security) of the RDT&E Agreement.

2.6. CPP shall not have personal custody of Classified Information or Controlled Unclassified Information unless approved by the Host Party and as authorized by their Parent Party. They shall be granted access to such Information in accordance with Article X (Controlled Unclassified Information), Article XII (Security) of the RDT&E Agreement, and the applicable Project Security Instruction during normal duty hours and when access is necessary to perform work for the Project.

2.7. CPP assigned to a Host Party's facility to conduct Project work shall not serve as a conduit between the Host Party and Parent Party for requests and/or transmission of Classified Information or Controlled Unclassified Information outside the scope of their assignment, unless specifically authorized by the Project Security Instruction.

3.0. Technical and Administrative Matters

3.1. Consistent with the Host Party's laws and regulations, and subject to applicable multilateral and bilateral treaties, agreements, and arrangements of the governments of the Host Party and Parent Party, CPP and their authorized dependents shall be accorded:

3.1.1. exemption from any Host Party's government tax upon income received from the Parent Party; and

3.1.2. exemption from any Host Party's government customs and import duties or similar charges levied on items entering the country for their official or personal use, including their baggage, household effects, and private motor vehicles.

3.2. On or shortly after arrival CPP and their dependents shall be provided briefings arranged by the Host Party's representative regarding (subject to applicable multilateral and bilateral agreements) entitlements, privileges, and obligations such as:

3.2.1. any medical and dental care that may be provided to CPP and their dependents at local medical facilities, subject to the requirements of applicable laws and regulations, including reimbursement when required;

- 3.2.2. purchasing and patronage privileges at military commissaries, exchanges, theaters, and clubs for CPP and their dependents, subject to the requirements of applicable laws and regulations; and
- 3.2.3. responsibility of CPP and their accompanying dependents to obtain motor vehicle liability insurance coverage in accordance with the laws and regulations applicable in the area where they are residing. In case of claims involving the use of private motor vehicles by CPP, the recourse shall be against such insurance.

3.3. The Host Party shall, in consultation with the CPP, establish standard operating procedures for CPP in the following areas:

- 3.3.1. working hours, including holiday schedules;
- 3.3.2. leave authorization, consistent to the extent possible with the military and civilian personnel regulations and practices of the Host Party and Parent Party;
- 3.3.3. dress regulations, consistent to the extent possible with the military and civilian personnel regulations and practices of the Host Party and Parent Party; and
- 3.3.4. performance evaluations, recognizing that such evaluations shall be rendered in accordance with the Parent Party's military or civilian personnel regulations and practices.

3.4. CPP committing an offense under the laws of the government of the Host Party or Parent Party may be withdrawn from this Project with a view toward further administrative or disciplinary action by the Parent Party. Disciplinary action, however, shall not be taken by the Host Party against CPP, nor shall CPP exercise disciplinary powers over the Host Party's personnel. In accordance with Host Party's government laws and regulations, the Host Party shall assist the Parent Party in carrying out investigations of offenses involving CPP.