

**LETTER OF AGREEMENT
BETWEEN THE GOVERNMENT OF THE UNITED STATES OF AMERICA
AND THE GOVERNMENT OF THE DOMINICAN REPUBLIC**

Original LOA Amendment to an LOA Face Sheet Amendment to an LOA

Original LOA #: 2010-01 Date of Original: _____ Amendment #: N/A

The above named parties mutually agree to carry out a project in accordance with the terms set forth herein and the terms set forth in the agreement elements indicated below.

Project Description Standard Provisions Annex A Annex B

This LOA or Amendment to an LOA is further subject to the terms of the following agreement between the two Governments as modified and supplemented: _____

Project Funding Allotted to Post and Obligated by this Agreement:	\$ 10,000,000
Project Funding Available for Obligation and Retained by INL Washington:	\$ <u>0</u>
Total Project Funding Obligated with this Agreement:	\$ 10,000,000
Total Project Funding Obligated to the Country Program this Fiscal Year:	\$ 10,000,000

Amount, Appropriation and Allotment: 0116 1911-80-1022-0002 \$ 10,000,000 USD

Sub-obligation Terminal Date: SEPTEMBER 30, 2010

Certification of Availability of Funds (FMO): *[Signature]* 2/19/10

Carmen Catala, Financial Mgt Officer Date

For the Government of the Dominican Republic	For the Government of the United States of America
<u><i>[Signature]</i></u>	<u><i>Christopher A. Lambert</i></u>
Pedro Rafael Peña Antonio	Christopher A. Lambert
Lieutenant General, Pilot, DAF	Chargé d'Affaires
Secretary of State of the Armed Forces	U.S. Embassy Santo Domingo
Date: <u>2/24/10</u>	Date: <u>2/19/10</u>

DISTRIBUTION OF FUNDING BY PROJECT

Project Funding Obligated in an Agreement between
the Government of the United States of America
and the Government of the Dominican Republic

Funds Allotted to Post

Allotment:		Appropriation:
<u>Project Number</u>	<u>Project Title</u>	<u>Total Amount</u>
IN23DR11	Aviation Support Program	\$ 10,000,000
		\$
Summary	Total of All Projects	\$ 10,000,000

LETTER OF AGREEMENT ON SOVEREIGN SKIES AVIATION SUPPORT

BETWEEN

THE GOVERNMENT OF THE UNITED STATES OF AMERICA

AND

THE GOVERNMENT OF THE DOMINICAN REPUBLIC

I. GENERAL

The Governments of the Dominican Republic and of the United States of America: With a desire to strengthen bilateral relations of friendship and cooperation; Recognizing that the problem of illegal drugs represents a grave threat to the health and welfare of their peoples and that the responsibility of resolving these problems must be shared by all nations; Recognizing constitutional, legal and administrative systems, respect for human rights, and social agreement in the application of public policies; Reaffirm their commitment to combat the production, trafficking and use of illegal drugs in a framework of shared responsibility, with respect for national sovereignty and dignity, following the principles of transparency, honesty, and efficiency.

The Government of the United States of America and the Government of the Dominican Republic (hereinafter each individually a "Party" and, collectively, the "Parties") agree to establish and to support a program designed to enhance the institutional capacities of the Government of the Dominican Republic to implement effective measures supporting all aspects of the Dominican Republic's comprehensive national strategy to prevent the abuse, trafficking and production of illicit drugs. The actions to be taken and the resources to be provided by the Government of the United States of America ("USG") and the Government of the Dominican Republic ("GODR") in support of this Letter of Agreement ("LOA") are set forth below and constitute firm commitments by each Party. Funds granted by the USG under the terms of this LOA are specified in a separate face sheet totaling \$10 million. Additional funding for this program by the USG is contingent upon the availability of duly authorized and appropriated funds, satisfactory progress towards project goals, and the approval by the U.S. Department of State.

II. PROGRAM DESCRIPTION

This program is designed to enhance the GODR's institutional capacities to carry out effective measures against drug trafficking. Toward that goal, the USG and the GODR shall take actions and commit as authorized by their respective legislative processes to support this LOA. The program which is planned for initiation during United States Fiscal Year 2010 is identified

below. The support provided for the program reflects the requirements to achieve the related goal and may, amongst other items, include any of the following goods or services: the upgrading of a minimum of two helicopters (title remains with GODR); training of pilots and mechanics to the United States Department of State's Bureau of International Narcotics and Law Enforcement Affairs' Office of Aviation's (INL/A) standards; the provision of spare parts and reparable, the provision of night vision goggle training and the provision of other project-related goods or services.

This is a four year program with an end state that the GODR will assume full operational, logistical, (including maintenance), and financial control of the program at the end of the four year period.

The parties may increase amend or terminate projects undertaken in conjunction with this LOA as agreed to by the Parties in writing. Such projects shall be subject to the terms and conditions of this LOA.

III. AVIATION SUPPORT

The helicopters provided by the GODR for this program will be used for the following counternarcotics missions:

- Aviation Support for ground based law enforcement interdiction operations (conduct "end game" or "take down" phase of interdiction)
- Aviation Support for maritime based law enforcement interdiction operations
- Law enforcement surveillance
- Support for aerial law enforcement interdiction operations
- Communications relay
- Law Enforcement/counternarcotics support operations to include serving warrants, command and control of ground operations, movement of personnel in the execution of law enforcement/counternarcotics operations, re-supply for deployed units, reconnaissance and surveillance, and medical evacuation of personnel (if needed).
- Other missions mutually agreed upon between the US Embassy and the Ministry of Defense or Directorate of National Drug Control (DCND) on a case by case basis such as disaster relief, humanitarian assistance and the protection of human life.

The Sovereign Skies Aviation Support Program is designed to increase the GODR's institutional capability to provide aviation logistical support to its counternarcotics activities. The program will provide the GODR with technical advice, helicopter upgrades, training, and other elements as appropriate, as well as other forms of assistance as may be deemed relevant tactically to achieve the shared strategic goal, in coordination with DCND.

Unless agreed to by all parties in writing, GODR personnel that receive training must be assigned to the helicopter unit of GODR Air Force and must be retained in their positions for a minimum of 3 years.

Additionally, all GODR personnel in the Sovereign Skies Aviation Support program must comply with the following in order to be vetted:

- U.S. and local criminal background check
- U.S State Department terrorism and human rights abuse check.
- U.S. (NAS) urinalysis test. Required at random and to be followed up annually.
- U.S. (NAS) administered polygraph. Required follow up polygraph examination preferably annually but not less than every two years.

IV. GOVERNMENT OF THE UNITED STATES OF AMERICA CONTRIBUTION

The USG will, with available funds, support helicopter upgrades, training, maintenance, and other related expenses for a minimum of two of the eight GODR Air Force Huey II helicopters. The USG plans to support these aircraft for a period of four years with the responsibility of funding gradually shifting to the GODR during this period. The USG will not fund flight hours beyond funding limitations or for missions not authorized by this project.

Additionally, the USG may, amongst other items, include any of the following goods or services:

- Training of GODR officials in law enforcement intelligence analysis, operations, support and logistics of the Joint Task Force.
- Training of pilots and mechanics to INL/A standards;
- The maintenance or improvement of physical infrastructure;
- The establishment of a combined intelligence fusion – command and control center.
- The provision of video, camera and related equipment;
- The provision of computers, communications and related equipment;

V. GOVERNMENT OF THE DOMINICAN REPUBLIC CONTRIBUTION

- Provide a minimum of two Huey II helicopters and associated equipment for the program.
- Provide adequate Hangar and Office Space in an autonomously secure area with adequate control and security.
- Provide funding for fuel, lubricants and any other petroleum products.
- Provide sufficient training for members of the Dominican Republic Air Force (FAD) personnel to operate and maintain the selected helicopters for the program stated above. The GODR will pay all salaries and normal benefits to FAD personnel.
- The GODR will include in their budgets, provisions for the gradual financial burden of this program so that by the end of the USG commitment (year fours) the GODR has full funding projected to assume total operational and logistical control.
- The GODR may, amongst other items, provide for any of the following goods or services:

- The provision of GODR uniforms and other personal equipment;
- The payment of rents and utilities (including those of internet, cable, satellite and telephone services) for GODR facilities;
- The payment of job-related travel costs for GODR personnel;
- The payment of insurance for medical care and rehabilitation for injuries sustained in the line of duty for GODR personnel;
- The provision of office equipment for GODR facilities;
- The provision of the means of transportation for job-related activities;
- The provision of various forms of training for GODR personnel;
- The contracting of consultants; and,
- The provision of other project-related goods or services.

VI. PERFORMANCE GOALS AND MEASURES OF EFFECTIVENESS

The specific goal of this program is to provide the FAD with a helicopter program that has upgraded Huey-II helicopters, trained pilots and mechanics and a logistical support system in place that can support GODR law enforcement interdiction of illegal narcotics and narcotics traffickers.

The objectives for this LOA are as listed below. Targets are set for the end of year one, goals for subsequent years will be reaffirmed or established through subsequent amendments:

- At the end of year one, the milestones for year one under the plan will have been met by the USG and the GODR.

- A complete evaluation of the aircraft selected for this program will be performed and a schedule for repair and renovation of the aircraft will be established.

The GODR and the USG will have agreed to a plan and timeline for training GODR personnel and providing equipment, including GODR identification of FAD personnel for training. The plans will establish targets and timelines for the following three years that will lead to:

- A qualified force of helicopter pilots, crew chiefs and support technicians

- A logistical support system (spare parts and reparable) that the GODR can maintain and that will ensure an 80% average availability of helicopters.

- A combined intelligence fusion -command and control center with fully trained personnel

- At the end of year two or when helicopters and crews are ready to begin operations the milestones under the plan for year two will have been met by the USG and the GODR. These will include:

- The USG and the GODR will have agreed on a plan and timetable for the GODR to assume full funding and total operational and logistical control of the program.

--A combined intelligence fusion - command and control center will have been established with a cadre of GODR officials assigned and fully trained.

-- Milestones for years three and four will have been established.

For Years three and four:

Milestones are met per established plan. They will include:

--An increase of 50% from the previous twelve months in seizures and arrests for Narco-trafficking.

-- Aircraft availability of 80% of Huey-II type helicopters selected for this program.

-- A qualified force of helicopter pilots, crew chiefs and support technicians,

-- A logistical system in place that the GODR can maintain and that will ensure an 80% average availability of helicopter platforms.

Methods of verification of project achievement include periodic and annual reviews of the program by both parties and observation by personnel of the two cooperating governments and by official GODR records of operational results. The parties will meet regularly (at least quarterly) to monitor progress towards meeting the milestones set up in the plans listed above and to determine remedial actions if milestones are not met.

The aircraft will be operated, flown, and maintained in accordance with INL/A standards of performance and in compliance with all INL/A established plans, directives, standard operating procedures, and policies. Pilot and non-pilot crewman training will be in accordance with INL/A Aircrew Training Manuals.

VII. EVALUATION PLAN

Annually the USG and GODR will meet to review all aspects of the program, review budgetary commitments, take corrective actions and make recommendations for the next year.

Representatives of the USG and the GODR will meet at least every two months during the year covered by this Letter of Agreement (LOA) to review progress towards achievement of the project goal and objectives described in detail throughout this LOA.

Reviews of specific component elements of the project will include officials of agencies of the GODR receiving assistance under those project elements. These bi-monthly evaluations will be coordinated with DCND. Progress will be evaluated in accordance with the measurements of success described in Section III of this LOA.

Information to be considered in conducting these evaluations will include qualitative and quantitative indicators. A written report that summarizes the results of these bi-monthly evaluations will be prepared jointly by the NAS (for the USG) and the Ministry of Defense (for the GODR) on a semi-annual basis. These evaluations are in addition to the ongoing monitoring of the programs and activities conducted by relevant personnel of both government, and separate from the annual review.

VIII. ACCIDENTS

Accidents involving GODR aircraft will be investigated by a Combined GODR-USG Accident Investigations Board to determine the cause of the accident and recommend corrective actions in the areas of training, operational procedures, maintenance and equipment, etc. with the objective of preventing future accidents.

Both Governments will have access to all relevant damaged material/equipment, information, files, and reports. The boards will be established as follows:

A. Involving fatalities.

The Combined GODR - USG Accident Investigation Board (CAIB) will be co-versed over by an officer designated by the GODR and by a representative of the USG National Transportation Safety Board or other appropriate agency of the USG. The GODR and USG will provide other board members as required.

B. Non-fatal.

The CAIB will be co-versed over by an officer designated by the GODR, by a representative of INL/A, and by a representative of the US Embassy Chief of Mission, Santo Domingo. The GODR and USG will provide other board members as required.

IX. STANDARD PROVISIONS

1. Funds

A. Disbursement of available USG funds shall be for procurement of property, equipment, supplies, material and services (hereinafter collectively "property").

B. Funds obligated by the USG that have not been spent within twenty four months of the signing of the LOA may be de-obligated by the USG. An extension of this period may be granted by INL.

C. The GODR shall contribute to the projects described in this LOA by making reasonable efforts to ensure adequate funding for normal administrative and related expenses for GODR personnel. These expenses might include the payment of rents and utilities, telephone costs, salaries and benefits including medical and other insurance protection), per diem and travel costs within The Dominican Republic, personal equipment and uniforms, and by recruiting and

retaining competent personnel. The GODR will also contribute appropriate hangar and office space and pay for fuel, and all other petroleum products.

D. The GODR shall make such reasonable efforts as are necessary to ensure that funds or other support provided under this LOA are not employed in any way in support of drug trafficking.

2. Title

Title to most property procured with funds provided by the USG under this LOA shall be to the GODR unless otherwise specified.

3. Property and Personnel

A. Property

(1) Property furnished to the GODR through funds provided by the USG shall be used solely to further the objects and purposes of this LOA, except for support to emergency humanitarian situations. The GODR shall return to the USG, or reimburse the USG for the original purchase price of any property that it obtains through funds provided by the USG that is not used in accordance with this provision. The GODR shall not authorize the re-export, transfer, loan, sale or other disposition of any property provided to it under this LOA without the prior written authorization of the USG. Funds derived from the re-export, transfer, loan, sale or other disposition of any property furnished or funded by the USG to the GODR under this LOA shall be used to further the objectives of the LOA.

(2) All property furnished or funded under this LOA shall be accounted for to the U.S. Embassy by the GODR in no less rigorous manner than would be used if the property was acquired by the GODR with the Dominican Republic government funds.

B. Personnel

(1) Before scholarships, fellowships or participant training for personnel proposed by the GODR can be furnished or funded under this LOA, each such person must execute a certification, as set forth in the Annex to this LOA, that he/she has not been convicted of a narcotics offense and has not been involved in narcotics trafficking within the last ten years.

(2) In order to retain the maximum benefits from the investment in training, the GODR agrees to retain personnel who have received training furnished or funded under this LOA for a minimum of three years after completing such training. This provision may be waived by written agreement of the Parties.

(3) Each such person must pass a standard vetting procedure every year, or more often as determined by the DCND leadership.

4. Monitoring and Evaluation

A. Each Party shall have the right:

(1) to examine any property furnished or funded by that Party under this LOA to determine that such property is being used in accordance with the terms of the LOA; and

(2) to inspect and audit any records and accounts with respect to funds, property or services furnished or funded by that Party under this LOA to determine that such funds, property and services are being utilized in accordance with the terms of this LOA.

B. The Parties shall monitor the progress of implementation of this LOA, including the use of funds, property and services furnished or funded under this LOA at least annually. Each Party shall assign qualified personnel to participate in the monitoring and evaluation process.

C. Each Party shall furnish the other with information necessary to evaluate the effectiveness of project operations under the terms of this LOA. At the termination of each project, a completion report shall be issued. This report shall include a summary of project contributions by the USG and the GODR, a record of activities performed, objectives achieved and related data.

5. Applicable Laws

A. Each Party shall expend funds and support project operations in accordance with its applicable laws and regulations.

B. All property furnished or funded by the USG under this LOA shall be procured in and shipped from the United States unless otherwise provided for in this LOA, or in any project annex, or as otherwise authorized in writing by the USG.

6. Taxes

A. Property and Funds

Any property or funds introduced into or acquired in the Dominican Republic by the USG or by any person or entity (including but not limited to contractors and grantees) funded by the USG as part of, or in conjunction with, this LOA shall be exempt from all taxes, service charges and investment or deposit requirements and currency controls in the Dominican Republic. The import, export, purchase, acquisition, use or disposition of any such property or funds in conjunction with this LOA shall be exempt from all tariffs, custom duties, import and export taxes, taxes on acquisitions or purchases or disposition, value-added taxes and any other taxes or similar charges in the Dominican Republic.

B. USG Personnel

All personnel employed directly or indirectly by the USG and assigned by the USG to perform duties in The Dominican Republic in connection with this LOA, and accompanying members of their families, shall be exempt from all Dominican income taxes and social security taxes with respect to income earned while in the Dominican Republic, and from property taxes on real or personal property located in the Dominican Republic and intended for their own personal use.

Such personnel and accompanying members of their families shall receive the same treatment with respect to the payment of customs and import duties on personal effects, equipment and supplies imported into the Dominican Republic for their own use, as is accorded by the GODR to diplomatic agents of the United States Embassy in the Dominican Republic and shall be exempt from all taxes, tariffs, duties or other levies imposed in the Dominican Republic.

C. Contract Services

Any non-Dominican national contractor, including any consulting firm, any non-Dominican national personnel of such contractor funded under this LOA and present in The Dominican Republic to perform work in connection with this LOA, any property or transaction related directly to such contracts, and any commodity procurement transaction funded under this LOA, shall be exempt from all taxes, tariffs, duties or other levies imposed in the Dominican Republic.

D. Citizens or residents of the Dominican Republic

The tax arrangements provided under paragraphs B and C are not applicable to citizens or permanent residents of the Dominican Republic present in the Dominican Republic in conjunction with this LOA.

7. Status of USG Personnel/Contractors in the Dominican Republic

A. The GODR shall receive persons designated by the USG to discharge responsibilities of the USG under this LOA. Upon appropriate notification from the USG, the GODR shall grant USG employees and US/Third Country National Personal Service Contractors the privileges and immunities accorded to the Diplomatic staff of the USG and assigned to the U.S. Embassy. Institutional contractors under this agreement shall be granted official acts immunity.

B. The privileges and immunities provided under paragraph A are not applicable to citizens or permanent residents of the Dominican Republic present in the Dominican Republic in conjunction with this LOA.

8. Human Rights

The Parties recognize that the protection of human rights is an important element of this LOA. To this end, the Parties understand that:

A. USG assistance to the GODR narcotics and crime control effort is conditioned on the GODR actively protecting human rights in the Dominican Republic, and

B. In accordance with United States law and policy, no USG assistance or funds shall be provided under this LOA to or for use by a unit of the security forces of the GODR if the USG has credible evidence that such a unit has committed gross violations of human rights, unless the USG determines that the GODR is taking effective measures to bring the responsible members of the security forces unit to justice. The Parties understand that "effective measures" means that the Government of the Dominican Republic is carrying out a credible investigation and that the

individuals involved face appropriate disciplinary action or impartial prosecution in accordance with Dominican law.

X. FINAL CLAUSES

A. This LOA shall enter into force upon signature by authorized representatives of both Parties.

B. Modifications to this LOA may be made as agreed by the Parties and issued as amendments to this LOA.

C. The Parties may increase, amend, or terminate individual projects undertaken in conjunction with this LOA as agreed to by the Parties in writing. All such projects shall be subject to the terms and conditions of this LOA.

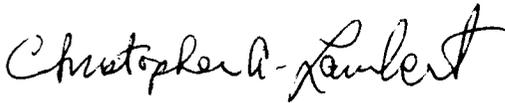
D. Either Party may terminate this LOA by giving the other Party 90 days prior written notice of its intention to terminate. The USG may suspend its obligations under this LOA in whole or in part upon giving the GODR written notice.

E. Notwithstanding the notification procedures set forth in Paragraph B, the USG reserves the right to terminate any and all assistance provided under this LOA immediately upon notice, or to take any other appropriate measures, if an agency of the GODR, to or through which assistance is being provided under this LOA, or a key individual of such agency, or any recipient of scholarships, fellowships or training furnished or funded under this LOA, is found to have been convicted of a narcotics offense, or to be or have been engaged in drug trafficking. Drug trafficking is defined as any activity undertaken illicitly to cultivate, produce, manufacture, distribute, sell, finance or transport, or to assist, abet, conspire, or collude with others in illicit activities, including money laundering (defined as the process whereby proceeds of criminal activity are transported, transferred, transformed, converted, or intermingled with legally acquired funds, for the purpose of concealing or disguising the true nature, source, disposition, movement, or ownership of these proceeds), relating to narcotic or Psychotropic drugs, precursor chemicals, or other controlled substances. This definition is within the framework established in paragraphs 1 and 2 of Article 3 of the United Nations Convention against Illicit Traffic in Narcotic Drugs and Psychotropic Substances of 1988. A narcotics offense is defined as a violation of, or a conspiracy to violate, any law or regulation of the United States, a State, the District of Columbia or other U.S. territory, or a foreign country relating to narcotic or Psychotropic drugs or other controlled substance.

F. Notwithstanding the termination of this LOA, the obligations of the GODR under Section V, Paragraph 3 of this LOA relating to the use of property shall continue to apply without respect to time unless otherwise agreed in writing by the Parties.

DONE at Santo Domingo, Dominican Republic, in duplicate this 26th day of February 2010, in the English and Spanish languages, both texts being equally authentic.

For the Government of
the United States of America



Christopher A. Lambert
Chargé d' Affaires
U.S. Embassy, Santo Domingo

For the Government of
the Dominican Republic



Pedro Rafael Peña Antonio
Lieutenant General, Pilot, DAF
Secretary of State of the Armed Forces

PARTICIPANT CERTIFICATION

NARCOTICS OFFENSES AND DRUG TRAFFICKING

1. I hereby certify that within the last ten years:

a. I have not been convicted of a violation of, or a conspiracy to violate, any law or regulation of the United States, or of any other country, concerning narcotics or psychotropic drugs or other controlled substances.

b. I am not and have not been an illicit trafficker in any such drug or controlled substance.

c. I am not and have not been a knowing assistor, abettor, conspirator, or colluder with others in the illicit trafficking in any such drug or substance.

2. I understand that the United States Department of State (DOS) may terminate my training if it is determined that I engaged in the above conduct during the last ten years or during my DOS-funded training.

Signature: _____

Name: _____

Date: _____

NOTICE

1. Pursuant to the agreements between the USG and the Dominican Republic, you are required to sign this Certification.

2. If you make a false Certification you are subject to criminal prosecution under applicable laws.