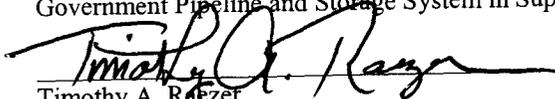


**AMENDMENT ONE**  
**TO THE**  
**MEMORANDUM OF UNDERSTANDING**  
**BETWEEN**  
**THE DEPARTMENT OF DEFENSE OF THE UNITED STATES OF AMERICA**  
**REPRESENTED BY**  
**THE DEFENSE ENERGY SUPPORT CENTER**  
**AND**  
**THE MINISTRY OF DEFENCE OF THE UNITED KINGDOM OF**  
**GREAT BRITAIN AND NORTHERN IRELAND**  
**REPRESENTED BY**  
**THE DEFENCE FUELS GROUP**  
**CONCERNING**  
**THE USE OF THE UNITED KINGDOM**  
**GOVERNMENT PIPELINE AND STORAGE SYSTEM**  
**IN SUPPORT OF U.S. FORCES WITHIN THE UNITED KINGDOM**

Dated: June 21, 2006

I certify that this is a true and complete copy of the original Amendment One to the Memorandum of Understanding Between the Department of Defense of the United States of America as represented by the Defense Energy Support Center and the Minister of Defence of the United Kingdom of Great Britain and Northern Ireland Represented by the Defence Fuels Group Concerning the Use of the United Kingdom Government Pipeline and Storage System in Support of U.S. Forces Within the United Kingdom.



Timothy A. Reizer  
Assistant Counsel  
Defense Energy Support Center

The following is Amendment One to the "Memorandum of Understanding Between the Department of Defense of the United States of America Represented by the Defense Energy Support Center and the Ministry of Defence of the United Kingdom of Great Britain and Northern Ireland Represented by the Defence Fuels Group Concerning the Use of the United Kingdom Government Pipeline and Storage System in the Support of U.S. Forces Within the United Kingdom," dated 18 March 2004.

This Amendment changes only those portions of the original Memorandum of Understanding (MOU) as specified below. All other terms and conditions of the original document remain in force. The paragraphs cited below in the original document will be annotated to refer to Amendment One.

**Change 1.** All references to "DESC-UK" in the MOU will be deleted and replaced with "DESC". (except for paragraph 2.1.3.).

**Change 2.** All references to "Non Compliance Report" in the MOU will be deleted and replaced with "Non Conformance Report".

**Change 3.** CONTENTS Page i., ANNEX C, the title "ORDERING AND SCHEDULING PROCEDURES" will be deleted and replaced with "SERVICE ORDERING AND SCHEDULING PROCEDURES"

**Change 4.** SECTION II., Paragraph 2.1.2 will be deleted and replaced with:

"2.1.2. DESC-Europe is the European Headquarters of DESC responsible for the management oversight of the MOU."

**Change 5.** SECTION II., Paragraph 2.1.3 will be deleted and replaced with:

"2.1.3. DESC-United Kingdom is DFG's initial point of contact for issues relating to the MOU and will facilitate communications with DESC-Europe."

**Change 6.** SECTION III., Paragraph 3.2.3. will be deleted and replaced with:

"3.2.3. Submit invoices to DESC-Europe for the services specified in this MOU."

**Change 7.** ANNEX A, Paragraph A.7.3. will be deleted and replaced with:

"A.7.3. F34/F35 will not be released from GPSS storage until the appropriate level of testing has been performed (see paragraph A.7.2. above). Results will be compared with previous tests from the batches making up the tank to ensure the fuel continues to meet quality standards as specified in paragraph A.1.1. and paragraph A.1.2. If the fuel in the tank is unsatisfactory for any reason, the tank will be quarantined pending guidance on the disposition."

**Change 8.** ANNEX A, Paragraph A.7.4. will be added with:

"A.7.4. DFG or its agent will promptly notify DESC of any off-specification fuel at any of the GPSS issuing tanks supporting RAFs Fairford, Lakenheath, or Mildenhall or in the pipeline between the bases and the primary support depots."

**Change 9.** ANNEX B, Paragraph B.1. will be deleted and replaced with:

"B.1. Annual Meeting. The Participants will meet annually in April to review this MOU and to reconcile the previous year's account, subject to audit, with final settlement to occur by 30 September. This meeting acts as the final meeting for the preceding year and will review all activities. Changes that have been previously determined during the year will be incorporated into this MOU by way of one annual written amendment and signed off by the Participants."

**Change 10.** ANNEX B, Paragraph B.2. will be deleted and replaced with:

"B.2. Quarterly Meetings.

B.2.1. The Participants will meet quarterly to discuss military product movement schedules, quality matters, operational issues, financial issues, works items, DESC requested projects, and review NCRs. The third quarterly meeting will address DESC requirements for the forthcoming year.

B.2.2. Each Participant will provide a current list of communication points of contact for emergency and non-emergency situations."

**Change 11.** ANNEX C, the title "ORDERING AND SCHEDULING PROCEDURES" will be deleted and replaced with "SERVICE ORDERING AND SCHEDULING PROCEDURES"

**Change 12.** ANNEX C will be deleted in its entirety and replaced with:

" C.1. Service Ordering.

C.1.1. Pipeline. Following confirmation of DESC end-of-month stock credits, DESC will advise DFG of volumetric requirements to be credited and debited within the GPSS for the following month, by the 10<sup>th</sup> calendar day of the current month. The requirements are to be in a format as specified by the DFG and are to include the following:

C.1.1.1. For Credits: Quantity of fuel and the entry points.

C.1.1.2. For Debits: Estimated quantity of fuel and the delivery points including delivery dates.

C.1.2. Other. DESC will notify DFG in writing of any other services required. (i.e. road loading, tanker discharge/loading)

C.2. Scheduling.

C.2.1. The DFG will provide to DESC the monthly pipeline schedule as soon as available.

C.2.2. The DFG will facilitate the scheduling of DESC fuel imports from points of entry to authorized delivery points, specified by the delivery date and points of delivery, as stated by the DESC monthly nomination for debits and credits.

C.3. Any changes to schedules will be mutually agreed.”

**Change 13.** ANNEX D, Paragraph D.1. will be deleted and replaced with:

”D.1. “The actual physical quantity shall be converted to a Net Standard Volume, either in liters at 15 °C or gallons at 60 °F. Measurement shall be made in accordance with locally approved procedures. Use the Petroleum Measurement Tables (an adjunct to ASTM D 1250), Volume XII, Table 52 to convert between cubic meters at 15 °C and barrels at 60 °F ( 1 cubic meter equals 1000 liters; 1 barrel equals 42 gallons). Use Volume XII, Table 58 to convert between gallons/barrels and metric tons.”

**Change 14.** ANNEX D, Paragraph D.4. will be added with:

”D.4. Stock Adjustments. DFG will make a quarterly adjustment (stock credit/debit) to the DESC stock report to account for differences between additive credited (estimated at 0.12% in accordance with paragraph D.2.1.) and actual additives debited (received at bases).”

**Change 15.** ANNEX F, Paragraph F.9. will be deleted and replaced with:

”F.9. Invoicing.

F.9.1. Monthly. DFG will submit an invoice for O&M costs as agreed to by the Participants in the annual budget. The invoice for services received in any given month will be invoiced in the preceding calendar month. The invoice will consist of one-twelfth of the O&M costs as set out in the annual budget, to be known as the monthly invoice.

F.9.2. Special Requirements. DFG will submit detailed invoices to DESC quarterly in arrears, for the full cost of all special works and services requested and/or agreed by DESC.

F.9.3. Final Annual Account. The final annual account will be reconciled at the annual meeting and the DFG will submit a final annual invoice to DESC, after audit, for settlement prior to 30 September.

F.9.4. Currency. All invoices will be submitted and paid in pounds sterling

**F.9.5. Invoice Address.** DFG will submit all invoices, directly to the address shown below:

DESC-Europe  
Attn: International Agreements  
Augusta Strasse # 6  
65189 Wiesbaden, Germany  
E-mail: desc-europeinternationalagreements@dla.mil”

**Change 16.** ANNEX G, Paragraph G.1. will be deleted and replaced with:

“G.1 The Participants agree to the prices listed below for services provided to DESC. This MOU is based on a fixed price for 5 years, determined by the 2002/2003 GPSS full cost baseline. The price will be adjusted annually in accordance with Paragraph G.2.2. and any changes to the DESC volumetric requirements.

G.1.1. Storage Requirement. £3,103,965 pounds sterling per year for 195,200 m3 of F35 storage.

G.1.2. Transportation Charges.

G.1.2.1. Transportation of up to 240,000 m3 of F35 (to be delivered as F34) annually from points of entry to delivery points detailed in Annex E for £4,193,748 pounds sterling. This figure includes stock working losses and product testing. It also includes road loading charges within core working hours. Core working hours are defined as 0800 hours to 1600 hours, Monday to Friday (excluding UK public holidays).”

G.1.2.2. Transport to delivery points (by pipeline to airbase or into road tanker) of F34/F35 in excess of 240,000 m3 annually at a rate of £7.67 pounds sterling per incremental m3 for pipeline movements, and a rate of £1.05 pounds sterling per incremental m3 for imports.

G.1.2.3. Road loading activity outside of core working hours is to be treated as a Special Requirement (see Annex H).”

**Change 17.** ANNEX H, Paragraph H.1.3. will be deleted and replaced with:

“H.1.3. Final Annual Account. The final annual account will be reconciled at the annual meeting and the DFG will submit a final annual invoice to DESC, after audit, for settlement prior to 30 September.”

**Change 18.** ANNEX H, Paragraph H.1.5. will be deleted and replaced with:

"H.1.5. Invoice Address. DFG will submit all invoices, directly to the address shown below:

DESC-Europe  
Attn: International Agreements  
Augusta Strasse # 6  
65189 Wiesbaden, Germany  
E-mail: desc-europeinternationalagreements@dla.mil"

**Change 19.** ANNEX H, Paragraph H.2.2. will be deleted and replaced with:

"H.2.2. DESC will make payments by way of Electronic Funds Transfer (EFT) into the GPSS bank account as indicated on the invoice."

**Change 20.** ANNEX I, Paragraph I.1.4. will be deleted and replaced with:

"I.1.4. Non Conformance Report. Report format is attached. The receiving Participant will respond in writing to the issuing Participant within ten (10) working days. The response will include the details of the proposed corrective action, the POC assigned to work the issue, and the estimated date that corrective actions will be completed."

**This Amendment consists of Changes 1-20 contained in six (6) pages.**

**In witness thereof, the undersigned, being duly authorized by their governments, have signed this Amendment.**

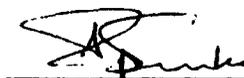
**FOR THE  
U.S. DEPARTMENT OF DEFENSE  
AS REPRESENTED BY THE  
DEFENSE ENERGY SUPPORT CENTER**

  
\_\_\_\_\_  
RICHARD J. CONNELLY  
Director

25 APRIL 2005  
DATE SIGNED

Charlottesville, Virginia  
PLACE OF SIGNATURE

**FOR THE  
UK MINISTRY OF DEFENCE  
AS REPRESENTED BY THE  
DEFENCE FUELS GROUP**

  
\_\_\_\_\_  
A C SPINKS  
Air Commodore  
RAF

25 April 2005  
DATE SIGNED

Charlottesville, Virginia  
PLACE OF SIGNATURE