

DEFENSE

Joint Strike Fighter Program

**Agreement Between the
UNITED STATES OF AMERICA
and ITALY Supplementing the
Memorandum of Understanding of
January 17, 2001**

Signed at Washington June 24, 2002

with

Annexes



NOTE BY THE DEPARTMENT OF STATE

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

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

ITALY

Defense: Joint Strike Fighter Program

*Agreement supplementing memorandum of
understanding of January 17, 2001.
Signed at Washington June 24, 2002;
Entered into force July 17, 2002.
With annexes.*

SUPPLEMENT
BETWEEN THE
DEPARTMENT OF DEFENSE
OF THE UNITED STATES OF AMERICA
AND THE
MINISTRY OF DEFENCE OF THE
REPUBLIC OF ITALY
UNDER THE MEMORANDUM OF UNDERSTANDING
CONCERNING THE COOPERATIVE FRAMEWORK FOR
SYSTEM DEVELOPMENT AND DEMONSTRATION OF THE
JOINT STRIKE FIGHTER

TABLE OF CONTENTS

INTRODUCTION	2
SECTION I	
DEFINITIONS OF TERMS AND ABBREVIATIONS.....	3
SECTION II	
OBJECTIVES AND SCOPE	5
SECTION III	
MANAGEMENT (ORGANIZATION AND RESPONSIBILITY)	7
SECTION IV	
FINANCIAL PROVISIONS	10
SECTION V	
CONTRACTING PROVISIONS	12
SECTION VI	
JOINTLY ACQUIRED EQUIPMENT	13
SECTION VII	
DISCLOSURE AND USE OF PROJECT INFORMATION	14
SECTION VIII	
SECURITY	15
SECTION IX	
AMENDMENT, WITHDRAWAL, ENTRY INTO EFFECT, AND DURATION	18
ANNEX A	
SUPPLEMENT MANAGEMENT STRUCTURE	20
ANNEX B	
JSF COOPERATIVE PROJECT PERSONNEL	21

INTRODUCTION

The Department of Defense of the United States of America (U.S. DoD) and the Ministry of Defence of the Republic of Italy (IT MOD), hereinafter referred to as the "Participants":

Recognizing that this Supplement is subject to the Memorandum of Understanding among the Minister of National Defence of Canada, the Ministry of Defence of Denmark, the Ministry of Defence of the Republic of Italy, the State Secretary of Defence of the Kingdom of the Netherlands, the Ministry of Defence of the Kingdom of Norway, the Secretary of State for Defence of the United Kingdom of Great Britain and Northern Ireland, and the Secretary of Defense on behalf of the Department of Defense of the United States of America concerning the Cooperative Framework for System Development and Demonstration of the Joint Strike Fighter (JSF SDD Framework MOU) and any amendments thereto;

Having regard to the needs of the U.S. Air Force and U.S. Marine Corps and the needs of the Italian Navy and Air Force for a next generation strike fighter;

Recognizing the contributions that the IT MOD has made to the Joint Strike Fighter Program in the Concept Demonstration Phase pursuant to the Agreement for the Joint Strike Fighter (JSF) Short Take-Off and Vertical Landing Ship Integration Risk Mitigation and Conventional Take-Off and Landing (CTOL)/Short Take-Off and Vertical Landing (STOVL) Operational Assessment Project of 23 December 1998 between the Department of Defense of the United States of America and the Ministry of Defence of the Republic of Italy, as amended;

Desiring to extend their JSF cooperation into the System Development and Demonstration (SDD) Phase with a view to subsequent cooperation in JSF developmental upgrades, production, and support; and

Desiring the involvement of their industries and research and development organizations in the JSF Program, and recognizing that this Project will enable the Participants to inform those entities of potential JSF Program participation opportunities;

Have reached the following understandings:

SECTION I

DEFINITIONS OF TERMS AND ABBREVIATIONS

The Participants have jointly decided upon the following definitions for terms used in this Supplement.

Defense Purposes	Manufacture or other use in any part of the world by or for the armed forces of a Participant.
IT MOD JSF Purposes	Performance of Project activities pursuant to the JSF SDD Framework MOU and this Supplement and future efforts by the IT MOD (collaboratively, nationally, or under U.S. Foreign Military Sales arrangements) for the design, development, manufacture, operation and support of CTOL and STOVL variants of the Air System. Efforts for the operation and support of the JSF CTOL and STOVL variants include, but are not limited to, the following activities related to these variants: aircraft carrier design, land air base design, communications, national and inter-allied operations and logistic support, and modification of IT MOD weapons to enable their integration into these variants.
Italian JSF Cooperative Project Personnel	IT MOD military members or civilian employees assigned to the JSF Program Office or U.S. DoD field activities who perform managerial, engineering, technical, administrative, Contracting, logistics, financial, planning or other functions in furtherance of the Project.

JSF Senior Warfighter
Group

The operational community advisory group, chartered to support the JSF Program Office in the SDD Phase, that consists of representatives from the services of the JSF SDD Framework MOU Participants and which meets on an ad hoc basis.

SECTION II

OBJECTIVES AND SCOPE

2.1. The objective of this Supplement is to establish the detailed provisions concerning the responsibilities and benefits of the Participants under the Project in accordance with the JSF SDD Framework MOU.

2.2. The Participants intend to promote industrial and technological cooperation between the United States and Italy during the JSF SDD Phase.

2.3. The Participants acknowledge that it is an objective of the JSF Program Office to maximize commonality among the JSF variants.

2.4. During the JSF SDD Phase, the Participants will design, develop, and qualify the JSF Air System which completely fulfills the joint Operational Requirements Document (ORD) dated 13 March 2000. This Air System will be fully operational, supportable and maintainable as specified in the joint ORD.

2.5. The U.S. DoD will consult with the IT MOD on any changes to the joint ORD that increase the joint ORD requirements and also increase the costs of the Project. If the IT MOD objects to such changes, there will be no increase to their share of the Financial Costs of the Project as a result of such changes.

2.6. The JSF Air System design will allow for in-country reprogramming capability as specified in the joint ORD and Joint Model Specification (JMS), and as implemented in the Contract Specification.

2.7. In light of the importance of the Contract Specification to the Project work, the IT MOD will participate in the change control and approval process for that specification.

2.8. The JSF Program threshold and objective requirement for Unit Recurring Flyaway Cost is contained in the joint ORD, paragraph 4.1.1. The current JSF Program Office estimate (October 2001) of the CTOL Unit Recurring Flyaway Cost is \$33.1 million (U.S. fiscal year 1994 base year dollars).

2.9. The U.S. DoD and IT MOD intend to pursue future cooperation in JSF developmental upgrades (during and after

the SDD Phase), production, and support under separate arrangements.

2.10. The U.S. DoD will use its best efforts to provide the IT MOD with the opportunity to obtain equipment and systems produced under U.S. DoD programs other than the JSF Program, to the extent that such equipment and systems are needed to meet the JSF Air System performance requirements specified in the joint ORD and further detailed in the JMS. Upon agreement between the Participants, such equipment and systems may be used by Italian industries on behalf of the IT MOD.

SECTION III

MANAGEMENT (ORGANIZATION AND RESPONSIBILITY)

3.1. The JSF Program Director (PD), in fulfilling his primary responsibility for management of the Project in accordance with paragraph 4.1 of the JSF SDD Framework MOU, will be responsible for satisfying the objectives and scope described in paragraphs 2.2 through 2.6 of Section II (Objectives and Scope) of this Supplement. The IT MOD EC representative will participate with the JSF PD in the latter's JSF Program management responsibilities as to Project efforts valued in an amount not to exceed \$65 million Then Year U.S. dollars of the Project contributions identified in paragraph 4.1 of this Supplement. Subject to the JSF PD's written approval, the following will apply: the IT MOD EC representative will, on behalf of the IT MOD, determine the Project efforts to which these Project funds are allocated; and the IT MOD may, if it so determines, contract with, or otherwise make arrangements with, Italian industry or Italian governmental entities, in accordance with Italian national Contracting laws, regulations and procedures, for performance of these Project efforts.

3.2. The JSF PD will promptly bring to the attention of the IT MOD Executive Committee (EC) representative any Air System deviations from the requirements of the joint ORD that arise in the performance of the work under this Project, and will advise the IT MOD EC representative of the planned course of action. If such deviations significantly reduce Air System performance or functionality as specified in the joint ORD of 13 March 2000, the JSF PD will seek advice from the EC as to what action should be taken.

3.3. The JSF SDD Framework MOU established the EC and provided that the U.S. DoD EC representative will be the JSF Program Director (or successor in the event of reorganization). The IT MOD EC representative will be the Chief of the Fourth Department of the National Armaments Directorate of the Ministry of Defence of Italy (or successor in the event of reorganization).

3.4. The JSF SDD Framework MOU also provided for plenary EC meetings. The U.S. DoD and the IT MOD EC representatives will hold semi-annual U.S. DoD-IT MOD-only meetings, if necessary, to address issues of concern to the Supplement; additional meetings will be held at the request of either representative, when appropriate, giving one month's notice to the other. The Participant hosting the Supplement-specific EC meeting will chair the meeting, unless otherwise

mutually determined. In addition to the Supplement-specific EC responsibilities contained in paragraph 4.5 of the JSF SDD Framework MOU, the following EC responsibilities under this Supplement will require unanimous decisions:

3.4.1. Approving the U.S. DoD-IT MOD JSF Program Office Integrated Project Team (IPT) Personnel Description Document (PDD).

3.4.2. Amending Annex A (Supplement Management Structure).

3.4.3. Authorizing changes to the Financial Management Procedures Document (FMPD).

3.5. The U.S. DoD and IT MOD EC representatives will also promptly apprise and consult on any matters that affect the Supplement and resolve any issues brought forth by the Director, JSF International Directorate (JSF/ID) and the IT MOD National Deputy.

3.6. In addition to the responsibilities related to the Supplement described in paragraph 4.7 of the JSF SDD Framework MOU, the Director, JSF/ID, will be responsible for:

3.6.1. Preparing, in conjunction with the IT MOD National Deputy, a U.S. DoD/IT MOD JSF Program Office IPT PDD for the approval of the U.S. DoD and IT MOD EC members.

3.6.2. Referring to the U.S. DoD and IT MOD EC members issues related to the Supplement that the Director, JSF/ID cannot resolve.

3.6.3. Accountability to the U.S. DoD and IT MOD EC members for timely release of Project Information furnished by the U.S. DoD.

3.7. The IT MOD will provide a National Deputy and a supporting staff in accordance with Annex A, who will be assigned to IPTs within the JSF Program Office and U.S. DoD field activities. Specific IT MOD National Deputy responsibilities are identified in Section 3.8 below. Specific IPT responsibilities for IT MOD personnel will be identified in the U.S. DoD/IT MOD JSF Program Office IPT PDD. Additionally, Annex B (JSF Cooperative Project Personnel) establishes provisions for the general conduct of IT MOD personnel located in the JSF Program Office and U.S. DoD field activities. Annex A (Supplement Management

Structure) depicts the management structure established for this Supplement.

3.8. In addition to assigned IPT responsibilities, the IT MOD National Deputy will be responsible for:

3.8.1. Supporting the Director, JSF/ID in the day-to-day administrative management of both the JSF SDD Framework MOU and this Supplement, to include oversight of the IT MOD assigned staff.

3.8.2. Providing day-to-day MOD representation within the JSF Program Office on all matters related to the Project.

3.8.3. Assisting the JSF/ID in developing the FMPD, Project Security Instruction and Classification Guide, and IPT PDD.

3.9. Representatives from the Participants' operational communities will participate in the JSF Senior Warfighter Group.

SECTION IV

FINANCIAL PROVISIONS

4.1. The IT MOD share of the Financial Costs of the Project, identified in paragraph 5.2 of Section V (Financial Provisions) of the JSF SDD Framework MOU, is \$1.028 billion TY U.S. Dollars. In no event will this IT MOD share, which is the IT MOD's maximum contribution to the Project, be increased without an amendment to this Supplement. The IT MOD non-financial contribution includes the personnel assigned to the JSF Program Office and DoD field activities in accordance with Annex A (Supplement Management Structure). The U.S. DoD share of the Financial Cost Target is established in Section V (Financial Provisions) of the JSF SDD Framework MOU.

4.2. An estimated financial schedule for IT MOD contributions (including the \$65 million Then Year U.S. Dollars specified in paragraph 3.1 of Section III (Management (Organization and Responsibility)) of this Supplement), which will also be contained in the FMPD, is provided in Table 4-1. The U.S. DoD and IT MOD EC representatives may approve changes to the estimated financial schedule, depicted in Table 4-1, by authorizing changes to the FMPD:

TABLE 4-1

Calendar Year (CY)	IT MOD contribution (billions U.S. TY \$)
CY01	-0-
CY02	.085
CY03	.104
CY04	.126
CY05	.152
CY06	.171
CY07	.154
CY08	.098
CY09	.068
CY10	.041
CY11	.027
CY12	.002
TOTAL	1.028

4.3. U.S. DoD research and development costs incurred for the Air System will not apply to any Air Systems that may be exported to the IT MOD pursuant to U.S. commercial export licenses in accordance with any future cooperative production arrangements. Alternatively, on any form of future procurement by the Italian Government of the Air System from the U.S. government, the U.S. DoD will exclude from the price of the Air System all of the U.S. DoD research and development costs incurred for the Air System, provided that the IT MOD does not withdraw from the JSF SDD Framework MOU and this Supplement. In the case of IT MOD withdrawal, the financial contribution made by the IT MOD up to the date of withdrawal will be taken into consideration regarding any such future foreign military sale.

4.4. In regard to paragraph 5.9 of the JSF SDD Framework MOU, the JSF PD will advise the IT MOD EC representative in a timely manner of any damages and costs that may accrue from the performance of or cancellation of Contracts or other obligations for this Project.

4.5. The FMPD will comply with U.S. and Italian audit laws and regulations. In furtherance of the provisions of paragraph 5.11 of Section V (Financial Provisions) of the JSF SDD Framework MOU, and upon mutual agreement, the IT MOD auditors may assist the U.S. DoD on any audit elements required to satisfactorily perform the audit. In addition, in the event that the IT MOD auditors need to obtain or to inspect specific Project financial data in order to fulfill their national obligations, the U.S. DoD will arrange for access to such specific financial data at mutually agreed times and locations.

SECTION V

CONTRACTING PROVISIONS

5.1. The Participants recognize that the provisions of the Memorandum of Understanding between the Government of the United States of America and the Government of Italy Concerning the Principles Governing Mutual Co-operation in Research and Development, Production, and Procurement of Defense Equipment of 11 September 1978, as amended, establish the principle that full consideration will be given to all qualified sources in each other's country consistent with the national procurement policy and criteria.

5.2. The U.S. DoD will provide the IT MOD with timely insight into the subcontracting for the Project. The Director, JSF/ID, will, upon request, provide to the IT MOD EC representative a summary of the activity of the Italian industries participating in the JSF SDD Phase.

5.3. The U.S. DoD will award cost-plus-award-fee Contracts for performance of the JSF SDD Phase. The JSF PD will implement an award fee program that specifies the award fee criteria against which the prime Contractors will be measured. Periodically, in consultation with the IT MOD National Deputy as part of the JSF Program Office award fee process, the JSF PD will award an appropriate portion of the available fee to the prime Contractors based on the degree to which their performance meets the award fee criteria. In the event a Contractor fails to meet any of the award fee criteria in a given period, the JSF PD will ensure the award fee will be reduced to the appropriate level.

SECTION VI

JOINTLY ACQUIRED EQUIPMENT

6.1. In those instances in which the U.S. DoD elects to dispose of Jointly Acquired Equipment by transferring such equipment to another Participant in accordance with paragraph 7.6 of the JSF SDD Framework MOU, the U.S. DoD will offer that equipment to each of the Participants of the JSF SDD Framework MOU in order of the magnitude of their financial contributions to the Project. The U.S. DoD will consult with the IT MOD and the other JSF SDD Framework MOU Participants in order to achieve a distribution of this Jointly Acquired Equipment in proportion to the Participants' financial contributions.

SECTION VII

DISCLOSURE AND USE OF PROJECT INFORMATION

7.1. The IT MOD will have timely and complete access to all releasable classified Project Foreground Information.

7.2. The IT MOD will have real-time, complete access to all releasable unclassified Project Foreground Information. Such unclassified Information includes that Information which will be provided electronically to the Participants.

7.3. During the course of the Project, the IT MOD will be provided with timely notification of the identity of known non-disclosable Information.

7.4. The IT MOD will be provided with all Project Information needed to autonomously operate, maintain and support the JSF Air System to its maximum capability, subject to U.S. national disclosure policies.

7.5. Paragraphs 8.2.2, 8.4.2, and 8.5.2 of Section VIII (Disclosure and Use of Project Information) of the JSF SDD Framework MOU require that each Supplement specify the purposes for which each Participant other than the U.S. DoD may use or have used Government Project Foreground Information, Contractor Project Foreground Information, and Contractor Project Background Information delivered under Contracts awarded in accordance with the JSF SDD Framework MOU, respectively. For the IT MOD, those purposes will be IT MOD JSF Purposes. The U.S. DoD may use or have used, for Defense Purposes, Government Project Foreground Information which is furnished by the IT MOD during the Project.

7.6. Paragraph 8.8.2 and 8.8.6 of Section VIII (Disclosure and Use of Project Information) of the JSF SDD Framework MOU require each Supplement to specify the purposes for which a Participant other than the U.S. DoD may practice or have practiced Project Inventions for which a Contractor or a Participant, respectively, grants a license under its Patents. For the IT MOD, those purposes will be IT MOD JSF Purposes. The U.S. DoD may practice or have practiced, for Defense Purposes, Project Inventions for which the IT MOD grants licenses under its Patents.

SECTION VIII

SECURITY

8.1. All Classified Information and Material provided or generated pursuant to the JSF SDD Framework MOU will be stored, handled, transmitted, and safeguarded in accordance with the General Security Agreement between the United States of America and Italy, of 4 August 1964, amended 2 September 1982, and including the Industrial Security Annex thereto, of 27 November 1985, amended 27 January 1988.

8.2. A Participant may consider on a case-by-case basis a person who is a citizen of another North Atlantic Treaty Organization (NATO) country or who is a citizen of Austria, Finland, Sweden, or Switzerland as eligible for access to Classified Information and Material furnished or generated pursuant to the JSF SDD Framework MOU, provided that the following conditions are met:

8.2.1. Access to such Classified Information and Material may not be granted or implemented until appropriate U.S. Government authorization is secured either as part of the original sale or export authorization, which may permit sharing of such Information and material with citizens of the aforementioned countries who are employees or agents of the Participants, or as a retransfer or re-export authorization. Italian Government authorization for transfers, export, or retransfer or re-export, may be required with respect to Classified Information and Material of Italian origin.

8.2.2. Eligibility for access is necessary in support of activities undertaken pursuant to the JSF SDD Framework MOU.

8.2.3. The person is granted a personal security clearance based on a clearance procedure that is no less rigorous than that required for a citizen of the Participant's country in accordance with the Participant's security policy and procedures, and shall sign a non-disclosure agreement.

8.2.4. Eligibility for access shall be limited to Classified Information and Material that is classified no higher than SECRET. Access will not be provided to TOP SECRET Information and material, intelligence Information and material, special access program Information and material, communications security

Information and material, ATOMAL Information and material, Information and material carrying specific dissemination limitations, or other Information and material subject to other access controls.

8.2.5. The person will be eligible to obtain access only to that Classified Information and Material which is required for the person to perform the specific Project-related tasks that are assigned to him or her and only for the period of time necessary to perform such tasks. Subject to the requisite appropriate additional U.S. or Italian Government authorizations referred to above, the person may have access only during working hours (not to include weekends) and will not remove Classified Information and Material from the office. The person will not be permitted to reproduce Classified Information and Material. The person will be required to certify in writing that he or she is aware of and will comply with security procedures and restrictions on re-transfers and access by unauthorized persons. The control of access to Classified Information and Material will be the responsibility of the security officer of the facility or organization at which the access is provided. Such security officer will be a citizen of the country of the Participant that provides the access.

8.2.6. There will be a security of Information agreement or other legally binding security arrangement between the government of the Participant wishing to provide access and the government of the country of citizenship of the person who is to be eligible for such access.

8.2.7. Before confirming eligibility for access to Classified Information and Material, the government of the Participant that is to extend eligibility for such access will ensure that it has sufficient jurisdiction and control over the person to effectively prosecute the person and hold him or her accountable for the proper handling of the Classified Information and Material.

8.2.8. The Participant extending eligibility for access to Classified Information and Material to a citizen from a NATO country that is not a signatory to the JSF SDD Framework MOU or a citizen of Austria, Finland, Sweden, or Switzerland will provide thirty (30) days prior notification to the other Participant of the nationality and identity of the citizens of the

aforementioned countries who will be eligible for such access and will ensure that records are maintained of any such access.

8.2.9. The government of the Participant that is to extend eligibility for access to the Classified Information and Material will be willing to provide access to its own Classified Information and Material of a similar type and classification level to the country of citizenship of the person who will be eligible for access under the conditions stated herein.

8.3. Existence of this Supplement is UNCLASSIFIED and the contents are UNCLASSIFIED.

SECTION IX

AMENDMENT, WITHDRAWAL, ENTRY INTO EFFECT, AND DURATION

9.1. This Supplement may be amended in accordance with Section XVIII (Amendment, Withdrawal, Termination, Entry into Effect, and Duration) of the JSF SDD Framework MOU.

9.2. The IT MOD may withdraw from the JSF SDD Framework MOU and this Supplement if it concludes that the Italian industrial participation in this Project is not satisfactory.

9.3. This Supplement, which consists of nine (9) Sections and two (2) Annexes, will enter into effect on the date by which both of the following circumstances have occurred: this Supplement has been signed by both Participants, and the JSF SDD Framework MOU amendment to add IT MOD has entered into effect. This Supplement will remain in effect for the duration of the JSF SDD Framework MOU, unless terminated earlier by the Participants.

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

Signed, in duplicate, in the English language by authorized representatives.

FOR THE DEPARTMENT OF DEFENSE
OF THE UNITED STATES OF
AMERICA



Signature

E. C. Aldridge, Jr.

Name

USD(AT&L)

Title

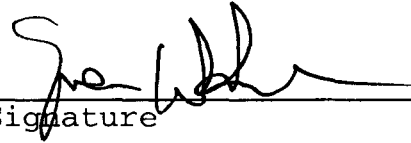
24 June 2002

Date

Washington, D.C.

Location

FOR THE MINISTRY OF DEFENCE OF
THE REPUBLIC OF ITALY



Signature

Admiral Giampaolo Di Paola

Name

**Secretary General of Defence
and National Armaments Director**

Title

24 June 2002

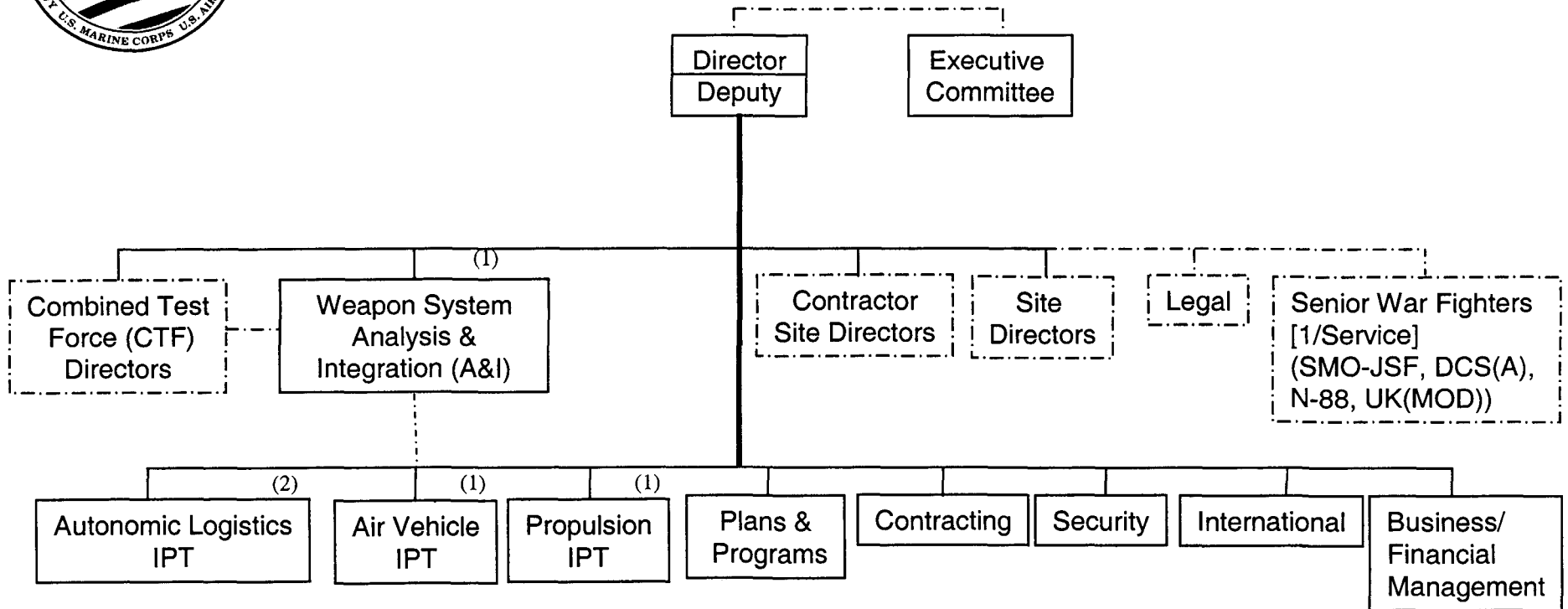
Date

Washington, D.C.

Location



Annex A Supplement Management Structure



Note (1): This Supplement provides for five (5) Italian representatives including a National Deputy to be integrated into the JSF Program Office. These Italian Cooperative Project Personnel will occupy positions chosen from positions available in these groups.

Not co-located
with main office

ANNEX B

JSF COOPERATIVE PROJECT PERSONNEL

1.0. Purpose and Scope.

1.1. This Annex establishes the provisions which will govern the conduct of JSF Cooperative Project Personnel. The IT MOD will assign military members or civilian employees to the JSF Program Office or U.S. DoD field activities in accordance with Section III (Management (Organization and Responsibility)), Annex A (Supplement Management Structure) and this Annex. JSF Cooperative Project Personnel must be able to perform all the responsibilities for the positions assigned to them under this Supplement. Commencement of assignments will be subject to any requirements that may be imposed by the U.S. DoD or the U.S. Government regarding acceptance of JSF Cooperative Project Personnel, such as, but not limited to, visas and visit request documentation. The U.S. DoD and IT MOD EC representatives will determine the length of tour for the positions at the time of initial assignment.

1.2. JSF Cooperative Project Personnel will be assigned to the JSF Program Office or U.S. DoD field activities for Project work and will report to their designated supervisor within those organizations regarding that work. JSF Cooperative Project Personnel will not act as liaison officers for the IT MOD. However, such personnel may act from time to time on behalf of the IT MOD's EC representative if the latter so authorizes in writing.

1.3. JSF Cooperative Project Personnel will 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 U.S. Government.

2.0. Security.

2.1. The U.S. DoD and IT MOD EC representatives will establish the maximum level of security clearance required to permit JSF Cooperative Project Personnel to have access to Classified Information and Material and facilities in which Classified Information and Material are used in accordance with the Program Security Instruction (PSI) and Classification Guide (CG). Access to Classified Information and Material and facilities in which Classified Information and Material are used will be consistent with, and limited by, Section II (Objectives) and Section III (Scope of Work)

of the JSF SDD Framework MOU and the corresponding provisions of this Supplement, and will be kept to the minimum required to accomplish the work assignments.

2.2. The IT MOD will cause security assurances to be filed, through the IT Embassy, specifying the security clearances for the JSF Cooperative Project Personnel being assigned. The security assurances will be prepared and forwarded through prescribed channels in compliance with established U.S. procedures.

2.3. The Participants will use their best efforts to ensure that both U.S. DoD personnel assigned to the JSF International Directorate and JSF Cooperative Project Personnel are aware of, and comply with, applicable laws and regulations pertaining to Controlled Unclassified Information and Material as well as the requirements of Section IX (Controlled Unclassified Information), Section X (Visits to Establishments), Section XI (Security), and paragraph 18.7 of Section XVIII (Amendment, Withdrawal, Termination, Entry into Effect, and Duration) of the JSF SDD Framework MOU and the corresponding provisions of this Supplement, and the PSI and CG. Prior to commencing assigned duties, U.S. DoD personnel assigned to the JSF International Directorate and JSF Cooperative Project Personnel will, as required by U.S. government laws, regulations, policies, or procedures, sign certifications concerning their respective conditions and responsibilities. Such certifications will be included as an appendix to the PSI following the provisions of paragraphs 4.3.3 and 4.7.4 of Section IV (Management (Organization and Responsibility)) of the JSF SDD Framework MOU.

2.4. JSF Cooperative Project Personnel will at all times be required to comply with the security and export control laws, regulations and procedures of the U.S. Government. Any violation of security procedures by JSF Cooperative Project Personnel during their assignment will be reported to the IT MOD for appropriate action. JSF Cooperative Project Personnel committing willful violations of security and export control laws, regulations, or procedures during their assignments will be withdrawn from the Project with a view toward appropriate administrative or disciplinary action by the IT MOD.

2.5. All Classified Information and Material made available to JSF Cooperative Project Personnel will be considered as Classified Information and Material furnished to the IT MOD and will be subject to all of the provisions and safeguards provided for in Section XI (Security) of the

JSF SDD Framework MOU, Section VII (Security) of this Supplement, and the PSI and the CG.

2.6. JSF Cooperative Project Personnel will not have personal custody of Classified Information and Material or Controlled Unclassified Information, unless approved by the JSF Program Office and as authorized by the IT MOD on a case-by-case basis. They will be granted access to such Information and material in accordance with Section IX (Controlled Unclassified Information) and Section XI (Security) of the JSF SDD Framework MOU and the provisions of the PSI during normal duty hours and when access is necessary to perform Project work.

2.7. JSF Cooperative Project Personnel will not serve as a conduit between the U.S. DoD and IT MOD for requests for and/or transmission of Classified Information and Material or Controlled Unclassified Information unless specifically authorized by the PSI.

3.0. Administrative Matters.

3.1. Consistent with U.S. laws and regulations, JSF Cooperative Project Personnel will be subject to the same restrictions, conditions, and privileges as U.S. DoD personnel of comparable rank and in comparable assignments. Further, to the extent authorized by U.S. laws and regulations, JSF Cooperative Project Personnel and their authorized dependents will be accorded:

3.1.1. Exemption from any U.S. Government tax upon income received from the IT MOD.

3.1.2. Exemption from any U.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. Upon or shortly after arrival, JSF Cooperative Project Personnel will be informed by the JSF Program Office or U.S. DoD field activities about applicable laws, orders, regulations, and customs and the need to comply with them. JSF Cooperative Project Personnel will also be provided briefings arranged by the JSF Program Office or U.S. DoD field activities regarding applicable entitlements, privileges, and obligations such as:

3.2.1. Any medical and dental care that may be provided to JSF Cooperative Project Personnel and their

dependents at U.S. DoD medical facilities, subject to applicable laws and regulations, including reimbursement requirements.

3.2.2. Purchasing and patronage privileges at military commissaries, exchanges, theaters and clubs for JSF Cooperative Project Personnel and their dependents, subject to applicable laws and regulations.

3.2.3. Responsibility of JSF Cooperative Project Personnel and those dependents accompanying them to obtain motor vehicle liability insurance coverage in accordance with laws and regulations applicable in the area where they are residing. In case of claims involving the use of private motor vehicles by JSF Cooperative Project Personnel and their dependents, the recourse will be against such insurance.

3.3. The JSF PD, through the JSF Program Office and U.S. DoD field activities, will establish standard operating procedures for JSF Cooperative Project Personnel 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 or civilian personnel regulations and practices of both Participants.

3.3.3. Dress regulations, consistent to the extent possible with the military or civilian personnel regulations and practices of both Participants.

3.3.4. Performance evaluations, recognizing that such evaluations must be rendered in accordance with the IT MOD's military or civilian personnel regulations and practices.

3.4. JSF Cooperative Project Personnel committing an offense under the laws of the government of either Participant may be withdrawn from this Project with a view toward further administrative or disciplinary action by the IT MOD. Disciplinary action, however, will not be taken by the U.S. DoD against JSF Cooperative Project Personnel, nor will JSF Cooperative Project Personnel exercise disciplinary authority over U.S. DoD personnel. In accordance with U.S. laws, regulations, and procedures, the U.S. DoD will assist the IT MOD in carrying out investigations of offenses involving JSF Cooperative Project Personnel.