DEFENSE

Cooperation

Memorandum of Understanding
Between the
UNITED STATES OF AMERICA
and the UNITED KINGDOM OF
GREAT BRITAIN AND
NORTHERN IRELAND

Signed at Fort Belvoir March 12, 2009

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."

UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND

Defense: Cooperation

Memorandum of understanding signed
at Fort Belvoir March 12, 2009;
Entered into force March 12, 2009.
With annexes.

MEMORANDUM OF UNDERSTANDING

BETWEEN

THE DEPARTMENT OF DEFENSE

OF THE UNITED STATES OF AMERICA

AND THE

SECRETARY OF STATE FOR DEFENCE OF THE

UNITED KINGDOM OF GREAT BRITAIN

AND NORTHERN IRELAND

CONCERNING COOPERATION ON FUTURE

RESEARCH, DEVELOPMENT, TEST, AND EVALUATION

PROJECTS FOR THE INTEGRATED SOLDIER CAPABILITY

(Short Title: ISC MOU)

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INTRODUCTION

The Department of Defense of the United States of America (U.S. DoD) and the Secretary of State for Defence of the United Kingdom of Great Britain and Northern Ireland (UK MOD), hereinafter referred to as the "Participants";

Recognizing that the Agreement Concerning Defense Cooperation Arrangements between the Government of the United States of America and the Government of the United Kingdom of Great Britain and Northern Ireland (Chapeau Agreement), of May 27, 1993, as amended June 1, 2007, applies to this MOU;

Recognizing that the Memorandum of Understanding between the Government of the United States of America and the Government of the United Kingdom of Great Britain and Northern Ireland Relating to Principles Governing Cooperation in Research and Development, Production, Procurement, and Logistic Support of Defense Capability (Reciprocal Procurement MOU), dated December 16, 2004 or any successor thereto applies to this MOU;

Recognizing the General Security Agreement between the Government of the United Kingdom of Great Britain and Northern Ireland and the Government of the United States of America, dated April 14, 1961 as amended, including the Security Implementing Arrangement thereto, of January 27, 2003 (General Security Agreement);

Recognizing the exchange of letters between the Prime Minister of the United Kingdom and the President of the United States of America dated July 17, 2003 aimed at increasing defence and security co-operation and removing barriers to information exchange;

Recognizing the applicability to this MOU of the Agreement between the Parties to the North Atlantic Treaty regarding Status of Their Forces (NATO SOFA), done in London on June 19, 1951;

Recognizing the applicability to this MOU of the NATO Agreement on the Communication of Technical Information for Defence Purposes, signed at Brussels on October 19, 1970, and the Implementing Procedures for NATO Agreement on the Communication of Technical Information for Defence Purposes, approved by the North Atlantic Council on January 1, 1971 (NATO Technical Information Agreement);

Recognizing the applicability to this MOU of the NATO Agreement for Mutual Safeguarding of Secrecy of Inventions Relating to Defense and for Which Applications for Patents Have Been Made, signed in Paris on September 21, 1960, and its Implementing Procedures (NATO Secrecy for Inventions);

Having a common interest in defense;

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

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

Recognizing that the United States and the United Kingdom desire to have a framework Memorandum of Understanding (MOU) established to facilitate collaboration on basic, exploratory, and advanced Integrated Soldier Capability (ISC) technologies; feasibility studies; development, testing, and evaluation of technology demonstrators and prototypes; and, where appropriate, activities related to transition to the warfighter;

Having independently conducted studies, research, exploratory development, and testing of the applications of various technologies, recognizing the benefits of cooperation in ISC; and

Desiring to cooperate and collaborate in the analysis, design, and development of interoperable ISC and ISC components;

Have reached the following understandings:

SECTION I
DEFINITIONS AND ACRONYMS

The Participants have jointly decided upon the following definitions and acronyms for terms used in this MOU:

ACTD	Advanced Concept Technology Demonstration
Background Information	Information not generated in the performance of this MOU.
C4ISR	Command, control, communications, computing, intelligence, surveillance, and reconnaissance.
CADMID	Sequence for UK acquisition programs: Concept, Assessment, Demonstration, Manufacture, In Service, Disposal.
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. This Information may be in oral, visual, magnetic, or documentary form or in the form of equipment or technology.
Computer Database	A collection of data recorded in a form capable of being processed by a computer. This definition does not include Computer Software.
Computer Program	A set of instructions, rules, or routines recorded in a form that is capable of causing a computer to perform a specific operation or series of operations.
Computer Software	Computer Programs, source code, source code listings, design details, algorithms, processes, flow charts, formulae, and related materials that would enable the software to be reproduced, recreated, or recompiled. Computer Software does not include Computer Databases or Computer Software Documentation.
Computer Software Documentation	Owner's manuals, user's manuals, installation instructions, operating instructions, and other similar items, regardless of storage medium, that explain the capabilities of the Computer Software or provide instructions for using the Computer Software.

Concept Capability Demonstration (CCD)	A UK program intended to explore the military utility of new systems concepts using mature technologies, typically seeking to find early solutions to immediate or near-term operational needs. CCDs should not involve significant technical risk. The technical characteristics of the demonstration object should be predictable with high confidence; however, there will be significant uncertainty over whether potential capability benefits can in practice be delivered.
Contract	Any mutually binding legal relationship under national laws that obligates a Contractor to furnish supplies or services for any activity under this MOU, and obligates one or both of the Participants to pay for them.
Contracting	The obtaining of supplies or services by Contract from sources outside the governmental organizations of the Participants. Contracting includes a description (but not determination) of the 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 governmental organizations of a Participant that has authority to enter into, administer, or terminate Contracts.
Contracting Officer	A person representing a Contracting Agency of a Participant who has the authority to enter into, administer, or terminate Contracts.
Contractor	Any entity awarded a Contract by a Participant's Contracting Agency.
Contractor Support Personnel	Persons specifically identified as providing administrative, managerial, scientific, or technical support services to a Participant under a support Contract that prohibits those persons from using Information received under the Contract for any purpose other than those authorized under this MOU or the applicable Project Arrangement (PA).
Controlled Unclassified Information (CUI)	Unclassified Information to which access or distribution limitations have been applied in accordance with applicable national laws or

	regulations. It could include Information that has been declassified but remains controlled.
Cooperative Project Personnel (CPP)	Military members or civilian employees of a Participant assigned to a Project Arrangement (PA) who perform managerial, engineering, technical, administrative, Contracting, logistics, financial, planning, or other functions in furtherance of a Project.
Cost Ceiling	The maximum amount of financial costs to which the Cost Target for a PA may move without the prior written approval of the Participants.
Cost Target	The accepted planning figure of the total financial cost for a PA.
Defense Purposes	Manufacture or other use in any part of the world by or for the armed forces of either Participant.
Designated Security Authority (DSA)	The security office approved by national authorities to be responsible for the security aspects of this MOU.
Equipment and Material	Any material, equipment, end item, subsystem, component, special tooling, or test equipment jointly acquired or provided for use in an Integrated Soldier Capability Activity.
E&MT	Equipment and Material Transfer
Financial Costs	PA costs met with monetary contributions from the Participants.
Foreground Information	Information generated under this MOU.
Host Participant	The Participant whose nation serves as the location of a Joint Project Office (JPO); also where CPP are assigned for duty pursuant to this MOU.
Integrated Soldier Capability (ISC)	Military hardware (and supporting computer software) at the system, sub-system, or component level, which is worn, used, or carried by a soldier (soldier may also include Navy, Air Force, and Marine personnel of both Participants).
Integrated Soldier Capability (ISC) Activity	Any authorized activity in support of Section III (Scope of Work) of this MOU.

Initial Operational Capability (IOC)	That date when the first unit or units of a system are fielded, have completed testing, and are determined to be ready for deployment and operational field support.
Information	Knowledge that can be communicated by any means, 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, computer software, designs, specifications, processes, techniques, inventions, drawings, technical writings, sound recordings, pictorial representations, and other graphical presentations, whether in magnetic tape, computer memory, or any other form, and whether or not subject to Intellectual Property rights.
Intellectual Property	In accordance with the World Trade Organization Agreement on Trade-related Aspects of Intellectual Property Rights of April 15, 1994, all copyright and related rights, all rights in relation to inventions (including Patent rights), all rights in registered and unregistered trademarks (including service marks), registered and unregistered designs, undisclosed Information (including trade secrets and know-how), layout designs of integrated circuits, and geographical indications, and any other rights resulting from creative activity in the industrial, scientific, literary, and artistic fields.
Joint Project Office (JPO)	A project management office composed of representatives from each Participant established, as required, to manage a project under a PA. Costs associated with the staffing of these offices are borne by each Participant, as specified in a PA to this MOU.
Non-financial Costs	PA resources expended or met with non-monetary contributions.
Participant	A signatory to the ISC MOU represented by its military and civilian personnel. Contractors and Contractor Support Personnel will not be representatives of a Participant under this MOU or any PAs.
Parent Participant	The Participant that sends its CPP to a Project office or JPO located in the nation of the other Participant.

Patent	Grant by any government or a regional office acting for more than one Government of the right to exclude others from making, using, importing, selling, or offering to sell 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 Arrangement (PA)	An implementing arrangement, to this MOU that specifies the arrangements for collaboration on an ISC project between the Participants.
PA Participant	A Participant and/or a signatory to a specific PA to this MOU
Project Direction for Contracts (PDC)	Project management direction (contained in a Project Plan) developed and approved in accordance with Section IV (Management (Organization and Responsibilities)) of this MOU, which is implemented through the award or modification of Contracts. The Project Direction for Contracts (PDC) contains provisions that address the Participants' interests regarding technical requirements, Project objectives, and Contracting strategies. These PDC provisions provide the Information necessary for the Contracting Agency to conduct procurements and negotiate and award Contracts and Contract modifications that achieve Project objectives.
Project Invention	Any invention in any field of technology, provided it is new, involves an inventive step, is capable of industrial applications, and is 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.
Project Plan	A project execution document that provides a

	description of the PA's major events, delivery requirements, and milestones that is updated periodically.
Project Purposes	Any use by or for a Participant relating to a PA, whether carried out jointly or separately by the Participants.
Prospective Contractor	Any entity that seeks to enter into a Contract awarded by a Participant's Contracting Agency and that, in the case of a solicitation involving the release of export-controlled Information, is eligible to receive such Information.
Special Tooling	Jigs, dies, fixtures, molds, patterns, tapes, gauges, other equipment and manufacturing aids, and all components of these items that are of such a specialized nature that without substantial modification or alteration their use is limited to the development or production of particular supplies or parts thereof or to the performance of particular services and excluding material, special test equipment, facilities (except foundations and similar improvements necessary for installing Special Tooling), general or special machine tools, or similar capital items.
Third Party	A Government other than the Government of a Participant and any person or other entity whose Government is not the Government of a Participant. For the purposes of this definition, a Contractor or subcontractor incorporated outside of a Participant's country is a Third Party.

SECTION II
OBJECTIVES

2.1 This MOU establishes a comprehensive framework for implementing a cooperative program of work on mutually decided topics related to ISC in order to improve the understanding of the Participants' national ISC programs, leverage their national technological excellence, and thereby enhance interoperability.

2.2 This MOU provides the means for the Participants to define and establish the general principles that will apply to the initiation, conduct, and management of information exchange, harmonization, and alignment of requirements and interface documents, including ISC PAs entered into by the Participants in accordance with this MOU.

2.3 Further, this MOU provides the means for the Participants to acquaint each other with ISC issues in order to avoid unnecessary duplication of national ISC defense programs and promotes concerted action to identify and close important gaps in their ISC defense capabilities.

2.4 The Participants desire to pursue activities that will increase capability or lower life cycle costs. For the U.S. DoD, the focus will include, but not be limited to, doctrine, organization, training, material, logistics, personnel, and facilities. For the UK MOD, the focus will include, but not be limited to, training, equipment, personnel, information, doctrine and concepts, organization, infrastructure, logistics, and interoperability.

SECTION III
SCOPE OF WORK

3.1 The scope of work of this MOU is intended to accomplish the objectives in Section II (Objectives) and includes, but is not limited to:

3.1.1 Conducting informed discussions and Information exchanges for national study, evaluation, and assessment efforts for the purposes of investigating capability gaps, exploring opportunities for requirements harmonization, improving understanding of the Participants' national ISC programs, identifying areas of potential cooperation, or for use in national ISC programs to enhance the Participants' interoperability;

3.1.2. Addressing specific ISC issues and capabilities, including but not limited to:

3.1.2.1 enhancing interoperability between the Participants' air, littoral, and land combat soldiers;

3.1.2.2 integrating appropriate equipment to leverage the physical, psychological, and intellectual potential of the soldier to improve lethality, survivability, C4ISR, sustainability, and mobility; and

3.1.2.3 enhancing capability and reducing overall development time, cost, and risk for each of the Participant's soldier modernization programs through: harmonization and alignment of requirements and interface documents, development of common or compatible core architectures, use of the most appropriate technology and expertise, reduced duplication of effort, and synergies arising from a cooperative development effort.

3.1.3 Conducting cooperative ISC research, analysis, design, and development activities;

3.1.4 Conducting and participating in U.S. DoD – UK MOD tests, evaluations, and experiments;

3.1.5 Enhancing ISC rationalization, standardization, and interoperability; and

3.1.6 Developing common test and evaluation processes in order to avoid duplication of effort and streamline the use of equipment.

3.2 The following mechanisms will be used to carry out the ISC activities described in paragraph 3.1:

3.2.1 Information Exchange:

3.2.1.1 Information may be exchanged under this MOU for any purpose within the scope of this MOU, including harmonizing the Participants' respective ISC requirements, and formulating, developing and negotiating the arrangements for any ISC Activity. Information exchange will take place on an equitable basis.

3.2.1.2 Computer Databases, Computer Software, or Computer Software Documentation associated with ISC Activities may be transferred under this MOU in accordance with national procedures, subject to the following limitations:

3.2.1.2.1 such transfers are necessary or useful to the conduct of ISC Activities as determined by the providing Participant; and

3.2.1.2.2 such transfers may occur only where the providing Participant has obtained national authority for such release. Such release may be subject to restrictions on use imposed by the providing Participant.

3.2.2 Working Groups (WGs): WGs may be established by the Steering Committee (SC) to explore, study, and report on specific ISC issues. A WG normally will be limited in scope to a single, well-defined area and will endeavor to assess the ISC issue based on Information provided by the Participants in such a way as to arrive at a jointly determined position within a set time limit. Each WG will have its own written Terms of Reference (TOR) that describes the scope, membership, and effective dates.

3.2.3 PAs: Each ISC PA will include specific provisions, consistent with this MOU, concerning the objectives, scope, sharing of work, management structure, financial arrangements, contractual arrangements (if required), assignment of CPP (if required), E&MT and disposal (if required), disclosure and use of Information, and security classification guidance. ISC PAs will be consistent with the format at Annex A (Model Project Arrangement).

3.2.4 E&MT Arrangement (E&MTA): Transfers of Equipment and Material between the Participants for ISC Activities will be conducted in accordance with Section VII (Equipment and Material Transfer), and will be documented as part of the requirements of an ISC PA (Annex A) or by using the E&MT Arrangement (Annex C).

3.2.5 Demonstrations: The Participants recognize that it may be to their mutual advantage to conduct demonstrations, such as ACTDs or CCDs, to evaluate

evolving technology and ISC concepts. The plan for the demonstrations will be documented in an ISC PA tailored to meet the requirements of the project.

3.2.6 Familiarization Visits: Familiarization visits may occur, in accordance with Section X (Visits to Establishments), to promote awareness of each Participant's facilities and to identify potential cooperative opportunities.

3.2.7 CPP: CPP may be assigned to a PA in either a JPO or project office and will report to their designated Project Office supervisor regarding the work.

SECTION IV
MANAGEMENT (ORGANIZATION AND RESPONSIBILITIES)

4.1 This MOU and its PAs will be directed and administered on behalf of the Participants by an organization consisting of a SC, Project Managers (PMs), and Project Officers (POs) appointed by the Participants. The SC will have overall authority over the PMs in accordance with this MOU. The PMs will have primary responsibility for effective implementation and efficient management of ISC Activities and direction of POs for subsequently developed PAs. The Participants may assign CPP in support of ISC PAs.

4.2 The SC will consist of the U.S. Army's Program Executive Office Soldier (PEO Soldier), and the UK Ministry of Defence's Director Equipment Capability (Ground Manoeuvre) (DEC GM). The SC will meet twice per year, with additional meetings held at the request of either Participant. The representative hosting the meeting will chair the meeting. The Participants will alternate hosting the SC meetings unless otherwise decided. Decisions of the SC will be made unanimously. In the event that the SC is unable to reach a timely decision on an issue, each SC representative will refer the issue to his or her higher authorities for resolution. Ongoing ISC Activities will continue to be implemented without interruption under the direction of the respective PM pending resolution of the issue. The SC will be responsible for:

4.2.1 exercising executive-level policy and management direction to the PMs during the course of Project implementation and ISC Activities;

4.2.2 approving the establishment of WGs and their TOR;

4.2.3 employing its best efforts to resolve, in consultation with the export control authorities of the Participants concerned, any export control issue raised by the PMs in accordance with subparagraph 4.3.4 or raised by a Participant's SC representative in accordance with paragraph 8.3 of Section VIII (Disclosure and Use of Information) of this MOU;

4.2.4 approving the Project Direction for Contracts (PDC) submitted by the PMs in accordance with subparagraph 4.3.8 of this Section, and any revisions thereto;

4.2.5 reviewing status reports submitted by the PMs;

4.2.6 resolving issues brought forth by the PMs;

4.2.7 reviewing the financial status of the projects to ensure compliance with the provisions of Section V (Financial Provisions) of this MOU.

4.2.8 maintaining oversight of the security aspects of ISC Activities, including reviewing and obtaining approval from the appropriate Designated Security Authority (DSA) of a Project Security Instruction (PSI) and a Classification Guide (CG) prior to the transfer of Classified Information or Controlled Unclassified Information;

4.2.9 reviewing and forwarding to the Participants for approval recommended amendments to this MOU and its Annexes in accordance with Section XVII (Amendment, Termination, Entry Into Effect, and Duration);

4.2.10 reviewing and forwarding to the Participants recommended ISC Activities for consideration;

4.2.11 monitoring Third Party Sales and Transfers authorized in accordance with Section XII (Third Party Sales and Transfers); and

4.2.12 approving plans to manage and control the transfer of Equipment and Material provided by a Participant and for the disposal of jointly acquired Equipment and Material in accordance with Section VII (Equipment and Material Transfer) under this MOU.

4.3 Project offices will be established in Ft Belvoir, Virginia and in London, United Kingdom, to manage ISC Activities. The PEO Soldier will appoint the U.S. PM, and the DEC GM will appoint the UK PM, both of whom will be responsible for implementing this MOU and for carrying out ISC Activities. The PMs will be responsible for:

4.3.1 managing the day-to-day activities associated with this MOU;

4.3.2 reviewing and recommending TOR for WGs and forwarding to the SC for approval;

4.3.3 recommending potential ISC Activities to the SC for approval;

4.3.4 referring issues to the SC that cannot be resolved by the PMs;

4.3.5 developing and recommending amendments to this MOU and its Annexes to the SC;

4.3.6 ensuring appointment of Project Security Officers;

4.3.7 ensuring development of and forwarding to the SC a PSI and a CG for the MOU within three months after signature of this MOU, and implementing the PSI and CG upon final approval by the DSA;

4.3.8 developing and submitting for SC approval a PDC in consultation with the responsible Contracting Officer, and any necessary updates thereto, which will be used by the Contracting Agency, as appropriate, to develop Contracting strategies, requests for proposals, Contracts, and Contract modifications;

4.3.9 providing status reports as directed by the SC;

4.3.10 implementing actions as directed by the SC;

4.3.11. executing financial aspects of Projects completed under a PA; and

4.3.12. monitoring export control arrangements required to implement this MOU and, if applicable, referring immediately to the SC any export control issues that could adversely affect the implementation of the MOU.

4.4 For each PA, the Participants will each appoint one PO. The POs' duties will be specified in each PA. Generally the POs will be responsible for:

4.4.1 managing and executing the cost, schedule, performance requirements, technical, and financial aspects (in accordance with Section V (Financial Provisions) of the PA;

4.4.2 maintaining a list of all Equipment and Material transferred by either Participant under the PA;

4.4.3 coordinating with the responsible Contracting Officer in the development of PDC relating to the PA;

4.4.4 providing the PDC, as approved in accordance with subparagraph 4.2.4 of this Section, to the responsible Contracting Officer for implementation;

4.4.5 monitoring export control arrangements required to implement the PA, and if applicable, referring immediately to the SC any export control issue that could adversely affect the implementation of the PA;

4.4.6 appointing a designated PA Security Officer; and

4.4.7 ensuring development of the CG for the PA and any proposed updates to the MOU PSI, forwarding them to the PMs within three months after signature of the PA, and implementing them upon final approval.

4.5 WGs may be established by the SC, as necessary, to examine areas of mutual interest and/or to perform work under specific PAs of the MOU. WGs will consist of representatives from the Participants. Each Participant will have one vote in WG matters, although a Participant may have as many representatives attend WG meetings

as the Participant deems necessary. WG decisions will be reached by unanimous vote. The location and chairmanship of the meetings will alternate between the Participants with the hosting Participant providing, without charge, appropriate meeting facilities, including security and administrative support. WGs will be responsible for:

4.5.1 developing and submitting TOR and any required changes to the PMs for approval by the SC;

4.5.2 recommending potential PAs through the PMs for review and endorsement to the SC;

4.5.3 interacting with and providing Information to other WGs, as directed by either the PMs or the SC; and

4.5.4 referring issues to the PMs or the SC that cannot be resolved at the WG level.

SECTION V
FINANCIAL PROVISIONS

5.1 This MOU creates no financial commitments regarding individual ISC Activities. Detailed descriptions of the Financial and Non-financial provisions for specific ISC Activities, including each Participant's accepted cost share, will be specified for the relevant ISC Activity.

5.2 Each Participant will contribute its equitable share of the full Financial Costs and Non-financial Costs of each PA, including overhead costs, administrative costs, and costs of claims, and will receive an equitable share of the results of each PA as mutually determined by the Participants.

5.3 For each PA, the POs will be responsible for proposing to the PMs and managing the detailed financial management procedures under which the PA will operate, consistent with national accountability requirements. These procedures, as required, will be specified in a Financial Management Procedures Document (FMPD) proposed by the POs and approved by the PMs.

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

5.4.1 costs associated with national representation at meetings;

5.4.2 costs associated with any unique national requirements identified by a Participant; and

5.4.3 any other costs not expressly stated as shared costs or any costs that are outside the scope of this MOU, its PAs and E&MTAs.

5.5 Each Participant will perform, or have performed, its tasks and will use its best efforts to perform the tasks within the costs specified in each PA. Each Participant will bear the full costs it incurs for performing, managing, and administering its own activities under this MOU and participation in each PA and E&MTA, including its share of the costs of any Contracts awarded pursuant to paragraph 5.11.

5.6 For PAs with shared costs that involve the establishment of a JPO with CPP assignments to the other PA Participant's facilities or the JPO, the PA will specify 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.

5.7 In addition to the shared costs of JPO administration and associated support service costs described in paragraph 5.6, the cost of CPP in the JPO or assigned to the other Participant's facilities will be borne as follows:

5.7.1 Each Participant will bear the cost of all pay and allowances of its personnel.

5.7.2 The Parent Participant of the CPP will bear the following costs related to its CPP:

5.7.2.1 Transportation of the CPP, the CPP's dependents, and their personal property to the place of assignment in the Host Participant's nation prior to the CPP's commencement of a tour of duty in the JPO or activity, and return transportation of the foregoing from the place of assignment in the Host Participant's nation upon completion or termination of the tour of duty.

5.7.2.2 Costs of messing and accommodation and, in addition to rent, will bear any applicable incidental costs which are not included in rental rates such as heating, gas, water, power, and garbage disposal. However, subject to availability, the Host Participant will provide CPP with messing and accommodation to the same standard as would be provided to its own personnel.

5.7.2.3 Compensation for loss of, or damage to, the personal property of CPP or the CPP's dependents, subject to the Parent Participant's laws and regulations.

5.7.2.4 Preparation and shipment of remains and funeral expenses in the event of the death of the CPP or the CPP's dependents.

5.7.2.5 All temporary duty costs, including travel costs, when such duty is carried out pursuant to a unique requirement of the Parent Participant.

5.8 For PAs without shared costs but that do involve the establishment of one or more multinational offices with assignment of one Participant's CPP to the facilities of the other, the Participants will bear the costs related to multinational offices established under such PAs as follows:

5.8.1 The Host Participant will bear the following costs:

5.8.1.1 All temporary duty costs, including travel costs in connection with the performance of any duty pursuant to a requirement of the Host Participant carried out in support of a PA or other activities under the MOU;

5.8.1.2 Costs incurred as a result of a change in location in work ordered by the Host Participant during the period of assignment; and

5.8.1.3 Administrative and support costs such as CPP-related training, office space, security services, information technology services, communications services, supplies, and use of facilities and equipment necessary for the performance of tasks assigned to the CPP.

5.8.2 The Parent Participant will bear the following costs in addition to those listed in paragraph 5.7.2 of this Section:

5.8.2.1 All pay and allowances of CPP assigned to the facilities of the other Participant;

5.8.2.2 Transportation of CPP, the CPP's dependents, and their personal property to a location specified by the Host Participant prior to commencement of the CPP assignment, and return transportation of the foregoing from this location upon completion or termination of the CPP assignment; and

5.8.2.3 Compensation for loss of, or damage to, the personal property of CPP or the CPP's dependents, subject to the laws and regulations of the Parent Participant's Government.

5.9 A PA Participant will promptly notify the other PA Participant if nationally appropriated available funds are not adequate to fulfill its responsibilities under a PA, or if it appears that the Cost Ceiling or Cost Target will be exceeded. The PA Participants will immediately consult with a view toward continuation on a modified basis.

5.10 For PAs where a Participant contracts on behalf of the other Participant with the written authority of the other Participant, the POs will be responsible for proposing to the PM the detailed financial management procedures under which the PA will operate prior to the transfer of funds between the Participants. The procedures, which will accord with national accounting and audit requirements of the Participants, will be specified in a FMPD. Each Participant will provide funds in the amounts and at the times planned in the estimated schedule for monetary contributions, as specified in the FMPD.

5.11 For a PA, the Participants recognize that it may become necessary for one Participant, in accordance with the approved PDC, to incur contractual or other obligations for the benefit of the other Participant or both of the Participants prior to receipt of the other Participant's funds. The Participant managing the Contract, from initial Contract award throughout the period of performance of the Contract, will incur such obligations consistent with the PDC provided to the responsible Contracting Officer in accordance with Section IV (Management (Organization and Responsibilities)), unless exceptional circumstances arise outside the control of the Participant managing the Contract. In the unlikely event such circumstances arise, the Participant managing the Contract will use

its best efforts to consult with the other Participant prior to incurring obligations beyond those envisioned in the approved PDC. In the event that one Participant incurs such contractual or other obligations, the other Participant will pay its equitable share of the Contract or other obligation, and will make such funds available in such amounts and at such times as may be required by the Contract or other obligation and will pay its equitable share of 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.

5.12 Each Participant will be responsible for the audit of its activities or its Contractors' activities pursuant to a PA. A Participant's audits will be in accordance with its own national practices. For PAs where funds are transferred between the Participants, the receiving Participant will be responsible for the internal audit regarding administration of the other Participant's funds in accordance with the receiving Participant's national practices. Upon request, the receiving Participant will promptly make audit reports of such funds available to the other Participant.

5.13 The Participant hosting the JPO or Contracting on behalf of the Participants will be responsible for the audit of the procurement activities for which it is responsible under the PA in accordance with its national practices. The Host Participant will be responsible for the internal audit regarding administration of the other Participant's Project funds in accordance with its national practices. Upon request, audit reports of such funds will be promptly made available by the Host Participant to the other Participant.

5.14 Where one Participant's national auditors need to obtain additional specific data or to inspect records to be able to fulfill their national obligations, the other Participant will facilitate access (in accordance with provisions of paragraph 6.13 of this MOU) to such Information.

SECTION VI
CONTRACTING PROVISIONS

6.1 If a Participant determines that Contracting is necessary to fulfill that Participant's responsibilities under Section III (Scope of Work) of this MOU, that Participant will contract in accordance with its respective national laws, regulations, and procedures with such waivers and deviations its procedures permit, and as deemed necessary to implement the provisions of this MOU. Where such Contracts are placed by competition, sources from both Participants' industries will be allowed to compete on an equal basis for such Contracts.

6.2 When one Participant individually contracts to perform a task under this MOU, it will be solely responsible for its own Contracting, and the other Participant will not be subject to any liability arising from such Contracts, without its prior written consent

6.3 For all Contracting activities performed by either Participant, the POs (for Contracting in support of a PA) or the PMs (for contracting in support of an E&MTA) will, upon request, be provided a copy of all statements of work prior to the development of solicitations to ensure they are consistent with the provisions of this MOU.

6.4 For all Contracting activities performed by either Participant for the benefit of the other Participant or both Participants, the POs will be responsible for coordinating with the responsible Contracting Officer in the development of the PDC relating to the PA, for providing the PDC approved by the SC to the Contracting Officer in accordance with Section IV (Management (Organization and Responsibilities)) of this MOU, and will cooperate, as requested, with the Contracting Officer in the areas of Contract procedures, Contract negotiation, evaluation of offers, Contract award, and Contract modifications. The Contracting Officer will keep the POs (for PAs) or PMs (for E&MTAs), advised of all significant developments associated with award and performance of Project Contracts, and will keep the POs, or PMs as appropriate, advised of all financial arrangements with the prime Contractor.

6.5 The POs may make use of either Participant's Contracting Agency in the event that Contracting on behalf of the other Participant or both Participants is required to implement a PA under this MOU. The Contracting Agency so used will place Contracts in accordance with its respective national laws, regulations, and procedures with such waivers and deviations its procedures permit and as deemed necessary to implement the provisions of this MOU. The Contracting Participant's Contracting Officer will be the exclusive source for providing contractual direction and instructions to the Contractors.

6.6 Each Participant's Contracting Agency will insert into its prospective Contracts (and require its Contractors to insert in subcontracts) suitable provisions to satisfy the requirements of this MOU, including Section VIII (Disclosure and Use of Information), Section IX (Controlled Unclassified Information), Section XI (Security), Section XII (Third Party Sales and Transfers), Section XVI (General Provisions), and Section XVII

(Amendment, Termination, Entry Into Effect, and Duration), including the export control provisions of this MOU, in particular paragraphs 6.7 and 6.8 of this section. Each Participant's Contracting Agency will negotiate to obtain the rights to use and disclose Project Information required by Section VIII (Disclosure and Use of Information). During the Contracting process, each Participant will also advise prospective Contractors of their responsibility to immediately notify their respective Participant's Contracting Agency, before Contract award, if they are subject to any license or agreement that will restrict their government's freedom to disclose Information or permit its use, and to employ their best efforts not to enter into any new agreement or arrangement that will result in such restrictions.

6.7 Each Participant will legally bind its Contractors to a requirement that the Contractor will not retransfer or otherwise use export-controlled Information furnished by another Participant for any purpose other than the purposes authorized under this MOU. The Contractor will also be legally bound not to 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 MOU. Export-controlled Information furnished by one Participant under this MOU may only be retransferred by another Participant to its Contractors if the legal arrangements required by this paragraph have been established.

6.8 Each Participant will legally bind its Prospective Contractors to a requirement that the Prospective Contractor will not retransfer or otherwise use export-controlled Information furnished by another Participant for any purpose other than responding to a solicitation issued in furtherance of the purposes authorized under this MOU. Prospective Contractors will not be authorized use for any other purpose if they are not awarded a Contract. The Prospective Contractors will also be legally bound not to 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 Participant under this MOU may only be retransferred by another Participant to its Prospective Contractors if the legal arrangements required by this paragraph have been established. Upon request by the furnishing Participant, the receiving Participant will identify its Prospective Contractors and prospective subcontractors receiving such export-controlled Information.

6.9 In the event a Participant's Contracting Agency is unable to secure adequate rights to use and disclose Information as required by Section VIII (Disclosure and Use of Information), or is notified by Contractors or potential Contractors of any restrictions on the disclosure and use of Information, that Participant's Contracting Agency will refer the matter to the PMs who will submit it to the SC for resolution.

6.10 Each Participant's PO will promptly advise the other Participant's PO of any cost growth, schedule delay, performance problems, or proposals to terminate any Contract for which its Contracting Agency is responsible.

6.11 Upon mutual consent, consistent with Section II (Objectives) a Participant may contract for the unique national requirements of the other Participant.

6.12 The Contracting Officer will ensure that the POs are provided with sufficient Information concerning the Contract and its execution to enable them to fulfill their relevant responsibilities.

6.13 Normal Contract administration services support (such as audit, quality assurance, pricing or cost investigations) will be provided in accordance with the Reciprocal Procurement MOU.

SECTION VII
EQUIPMENT AND MATERIAL TRANSFER

7.1 For the purpose of carrying out a PA, each Participant may transfer, without charge to the other Participant, such Equipment and Material identified in a PA as being necessary. Such a PA will provide specific details of any transfer of Equipment and Material. Equipment and Material will remain the property of the providing Participant. Equipment and Material identified at the time of PA signature will be specified in the PA as set out in Annex A (Model Project Arrangement). Approval for all transfers will be in accordance with national procedures.

7.2 For transfers of Equipment and Material not documented in a PA, each Participant may transfer, without charge to the other Participant, Equipment and Material to be documented using the model at Annex C (Equipment and Material Transfer Arrangement). Approval for all transfers will be in accordance with national procedures.

7.3 The POs will maintain a list of all Equipment and Material transferred pursuant to a PA or an E&MTA. All Equipment and Material that is transferred will be used by the receiving Participant only for the purposes of carrying out PAs and E&MTAs under this MOU, unless otherwise consented to in writing by the providing Participant. In addition, in accordance with Section XII (Third Party Sales and Transfers) of this MOU, Equipment and Material will not be retransferred to a Third Party without the prior written consent of the providing Participant.

7.4 The receiving Participant will inspect the Equipment and Material upon receipt. The receiving Participant will also inspect the Equipment and Material prior to its return unless the Equipment and Material has been expended or consumed. In addition, the receiving Participant will maintain the Equipment and Material in good order, repair, and operable condition. Unless the providing Participant has consented that the transferred Equipment and Material may be expended or otherwise consumed without reimbursement to the providing Participant, the receiving Participant will return the Equipment and Material to the providing Participant in as good condition as received, reasonable wear and tear excepted, or return the Equipment and Material and pay the cost to restore the Equipment and Material to such condition. If the Equipment and Material is damaged beyond economical repair, the receiving Participant will return the Equipment and Material to the providing Participant (unless otherwise specified in writing by the providing Participant) and pay the replacement value as computed pursuant to the providing Participant's national laws, regulations, and procedures. If the Equipment and Material is lost or stolen while in the custody of the receiving Participant, the receiving Participant will issue a certificate of loss to the providing Participant and pay the replacement value as computed pursuant to the providing Participant's national laws, regulations, and procedures. If known at the time of entry into effect, the replacement value of the Equipment and Material will be specified in the PA or E&MTA. When appropriate, the providing and receiving Participants may

specify that in no case will any payment respecting damage or loss exceed the amount indicated in the applicable PA or E&MTA.

7.5 The providing Participant will make every effort to ensure that the Equipment and Material is furnished in a serviceable and usable condition according to its intended purpose. However, the providing Participant makes no warranty or guarantee of fitness of the Equipment and Material for a particular purpose or use, and makes no commitment to alter, improve, or adapt the Equipment and Material, or any part thereof.

7.6 The providing Participant will transfer the Equipment and Material for the approved period, unless extended by written amendment, provided that the duration will not exceed the effective period of the PA or E&MTA.

7.7 The providing Participant, at its expense, will deliver the Equipment and Material to the receiving Participant at the location mutually approved. Responsibility for Equipment and Material will pass from the providing Participant to the receiving Participant at time of receipt. Any further transportation is the responsibility of the receiving Participant.

7.8 The providing Participant will furnish the receiving Participant such Information as is necessary to enable the Equipment and Material to be used, maintained, and safely operated for its intended purposes.

7.9 Upon expiration or termination of the transfer period specified in a PA or E&MTA (taking into account any extension), the receiving Participant will return the Equipment and Material, at its expense, to the providing Participant at the location mutually approved. Any further transportation will be the responsibility of the providing Participant.

7.10 The receiving Participant will provide written notice of consumption or expenditure of Equipment and Material approved for such consumption or expenditure. In the event the intended consumption or expenditure does not occur, the receiving Participant will, unless otherwise determined by the providing Participant, return the Equipment and Material, at its expense, to the providing Participant at the location mutually approved. Any further transportation will be the responsibility of the providing Participant.

7.11 The Participants will ensure, by all reasonable means, the protection of intellectual property rights in Equipment and Material.

7.12 Any Equipment and Material that is jointly acquired on behalf of the PA Participants for use under a PA will be disposed of as mutually approved by them.

7.13 Disposal of jointly acquired Equipment and Material may include a transfer of the interest of the PA Participants in such Equipment and Material to one Participant, or the sale of such Equipment and Material to a Third Party in accordance with Section XII (Third Party Sales and Transfers) of this MOU. The PA Participants will share the

consideration from jointly acquired Equipment and Material transferred or sold to a Third Party in the same ratio as costs are shared under the relevant PA to this MOU.

SECTION VIII
DISCLOSURE AND USE OF INFORMATION

8.1 Both Participants recognize that successful collaboration depends on full and prompt exchange of Information necessary for carrying out ISC Activities. The Participants intend to acquire sufficient Information and rights to use such Information to enable the research, design, development, and test of the ISC. The nature and amount of Information to be acquired will be consistent with Section II (Objectives), Section III (Scope of Work), Section VI (Contracting Provisions), PAs, and E&MTAs under this MOU.

8.2 Transfer of Information will be consistent with the furnishing Participant's applicable export control laws and regulations.

8.2.1 Unless otherwise restricted by duly authorized officials of the furnishing Participant at the time of transfer to the other Participant, all export-controlled Information furnished by one Participant to the other Participant may be retransferred to the other Participant'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 MOU.

8.2.2 Export-controlled information may be furnished by Contractors, subcontractors, Prospective Contractors, and prospective subcontractors of one Participant's nation to the Contractors, subcontractors, Prospective Contractors, and prospective subcontractors of the other Participant's nation pursuant to this MOU, subject to the conditions established in licenses or other approvals issued by the Government of the furnishing Participant in accordance with its applicable export control laws and regulations.

8.3 If a Participant finds it necessary to exercise a restriction on the retransfer of export-controlled Information as set out in paragraph 8.2 of this Section, it will promptly inform the other Participant. If a restriction is then exercised and the affected Participant objects, that Participant's SC representative will promptly notify the other Participant's SC representatives and they will immediately consult in order to discuss ways to resolve such issues or mitigate any adverse effects.

8.4 Information Exchange, WGs, and Familiarization Visits. The disclosure and use provisions that govern Information exchanges, WGs, and Familiarization Visits authorized in subparagraphs 3.2.1, 3.2.2, and 3.2.6 of Section III (Scope of Work) are as follows in subparagraphs 8.4.1, 8.4.2, 8.4.3, and 8.4.4:

8.4.1 A Participant (including its Contractor Support Personnel) may only use the Information exchanged under this MOU for information and evaluation purposes and for conducting initial risk reduction and concept studies relating to the aims set out in Section II (Objectives) and Section III (Scope of Work) of this MOU.

The specific prior written consent of the furnishing Participant is required for any other use or disclosure, including disclosure to Contractors.

8.4.2 A receiving Participant will ensure that Contractor Support Personnel or Contractors to whom it discloses Information received under this MOU are under a legally-binding obligation not to further disclose such Information, or to use such Information for other than information and evaluation purposes, without prior written authorization.

8.4.3 No transfer of ownership of Information exchanged under this MOU will occur via the provisions hereof, hence such Information will remain the property of the furnishing Participant or the holder of the proprietary rights. Transfer of such Information to Contractors will be consistent with each Participant's respective applicable export control laws and regulations.

8.4.4 The Participants may exchange Information under this MOU only where the following conditions are met:

8.4.4.1 Information subject to Intellectual Property rights may be disclosed only without incurring liability to rights holders.

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

8.4.4.3 Disclosure of the Information is consistent with the furnishing Participant's export control laws and regulations.

8.5 PAs, E&MTAs, and demonstrations: The disclosure and use provisions that govern PAs, E&MTAs, and demonstrations authorized in subparagraphs 3.2.3, 3.2.4, and 3.2.5 of Section III (Scope of Work), are as follows in subparagraphs 8.5.1, 8.5.2, 8.5.3, and 8.5.4 of this Section:

8.5.1 Government Foreground Information.

8.5.1.1 Disclosure: Foreground Information generated by a Participant's military or civilian employees will be disclosed without charge to both Participants.

8.5.1.2 Use: Each Participant may use all Government Foreground Information without charge for Defense Purposes. The Participant generating Government Foreground Information will also retain its rights of use thereto. Any sale or other transfer to a Third Party will be subject to the provisions of Section XII (Third Party Sales and Transfers) of this MOU.

8.5.2 Government Background Information.

8.5.2.1 Disclosure: Each Participant, upon request, will disclose to the other Participant any relevant Government Background Information generated by its military or civilian employees, provided that:

8.5.2.1.1 such Background Information is necessary to or useful in the PA, with the Participant in possession of the Information determining whether it is "necessary to" or "useful in" the PA;

8.5.2.1.2 such Background Information may be made available without incurring liability to holders of Intellectual Property rights;

8.5.2.1.3 disclosure is consistent with national disclosure policies and regulations of the furnishing Participant; and

8.5.2.1.4 any disclosure or transfer of such Government Background Information to Contractors is consistent with the provisions of paragraphs 6.7 and 6.8 of Section VI (Contracting Provisions) of this MOU, and paragraphs 8.2, and 8.4 of this Section.

8.5.2.2 Use: Government Background Information disclosed by one Participant to the other may be used without charge by the other Participant for Project Purposes only. However, the furnishing Participant will retain all its rights with respect to such Background Information.

8.5.3 Contractor Foreground Information

8.5.3.1 Disclosure: Foreground Information generated and delivered by Contractors will be disclosed without charge to both Participants.

8.5.3.2 Use: Each Participant may use without charge for Defense Purposes, all Contractor Foreground Information generated and delivered by Contractors of the other Participant. The Participant whose Contractors generate and deliver Contractor Foreground Information will also retain rights of use thereto in accordance with the applicable Contract(s). Any sale or other transfer to a Third Party of Contractor Foreground Information will be subject to the provisions of Section XII (Third Party Sales and Transfers) of this MOU.

8.5.4 Contractor Background Information

8.5.4.1 Disclosure: Any Background Information, (including Information subject to Intellectual Property rights) generated and delivered by Contractors will be made available to the other Participant provided the following provisions are met:

8.5.4.1.1 such Background Information is necessary to or useful in the PA, with the Participant in possession of the Information determining whether it is "necessary to" or "useful in" the PA;

8.5.4.1.2 such Background Information may be made available without incurring liability to holders of Intellectual Property rights;

8.5.4.1.3 disclosure is consistent with national disclosure policies and regulations of the furnishing Participant; and

8.5.4.1.4 any disclosure or transfer of such Contractor Background Information to Contractors is consistent with the provisions of paragraphs 6.7 and 6.8 of Section VI (Contracting Provisions) of this MOU, and paragraphs 8.2, and 8.4 of this Section.

8.5.4.2 Use: Background Information furnished by one Participant's Contractors and disclosed to the other Participant may be used without charge by the other Participant for Project Purposes only, and may be subject to further restrictions by holders of Intellectual Property rights. Additional restrictions required by the furnishing Participant may be included in specific PAs. However, the furnishing Participant will retain all its rights with respect to such Background Information.

8.6 Alternative Uses of Information:

8.6.1 Any Background Information provided by one Participant will be used by the other Participant only for the purposes set forth in this MOU, unless otherwise consented to in writing by the providing Participant.

8.6.2 The prior written consent of the disclosing Participant will be required for the use of Foreground Information by the receiving Participant for purposes other than those provided for in this MOU.

8.7 Proprietary Information:

8.7.1 Any Information subject to disclosure and use restrictions with respect to Intellectual Property rights will be identified and marked, and it will be handled in accordance with Section IX (Controlled Unclassified Information) and Section XI (Security) of this MOU, as appropriate.

8.7.2 The provisions of the NATO Agreement on the Communication of Technical Information for Defence Purposes, signed at Brussels on October 19, 1970, and the Implementing Procedures for the NATO Agreement on the Communication

of Technical Information for Defence Purposes, approved by the North Atlantic Council on January 1, 1971 (or any successor agreement and procedures) will apply to Information that is subject to Intellectual Property rights.

8.8 Patents:

8.8.1 Each Participant will include in all its Contracts for ISC Activities a provision governing the disposition of rights in regard to Project Inventions and Patent rights relating thereto, which either:

8.8.1.1 provides that the Participant will hold title to all such Project Inventions together with the right to make Patent applications for the same, free of encumbrance from the Contractor concerned; or

8.8.1.2 provides that the Contractor will hold title (or may elect to retain title) for such Project Inventions together with the right to make Patent applications for the same, while securing for the Participants a license for the Project Inventions, and any Patents thereto, on terms in compliance with the provisions of paragraph 8.8.4 below.

8.8.2 In the event that a Contractor owns title (or elects to retain title) for a Project Invention, the Contracting Participant will secure for the other Participant a non-exclusive, irrevocable, royalty-free license under all Patents secured for that invention, to practice or have practiced the patented Project Invention for Defense Purposes throughout the world unless otherwise specified in a PA.

8.8.3 The provisions of subparagraphs 8.8.4 through 8.8.7 below will apply in regard to Patent rights for all Project Inventions made by either Participant's military or civilian employees, including those within government-owned facilities, and for all Project Inventions made by Contractors for which the Contracting Participant holds title or is entitled to acquire title.

8.8.4 Where a Participant has or can secure the right to file a Patent application with regard to a Project Invention, that Participant will consult with the other Participant regarding the filing of such Patent application. The Participant that has or receives title to such Project Invention will, in other countries, file, cause to be filed, or provide the other Participant with the opportunity to file on behalf of the Participant holding title, Patent applications covering that Project Invention. A Participant will immediately notify other Participant that a Patent application has been filed. If a Participant, having filed or caused to be filed a Patent application, abandons prosecution of the application or ceases maintaining the Patent granted or issued on the application, that Participant will notify the other Participant of that decision and permit the other Participant to continue the prosecution or maintain the Patent as the case may be.

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

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

8.8.7 Patent applications to be filed, or assertions of other Intellectual Property rights, under this MOU that contain Classified Information will be protected and safeguarded in a manner no less stringent than the requirements contained in the NATO Agreement on Secrecy for Inventions, and its Implementing Procedures (or any successor agreement and procedures).

8.9 Intellectual Property Infringement Claims:

8.9.1 Each Participant will notify the other Participant of any Intellectual Property infringement claims brought against that Participant arising in the course of work performed under the Project on behalf of one or both of the Participants. Insofar as possible, the other Participant will provide Information available to them that may assist in defending such claims. Each Participant will be responsible for handling such Intellectual Property infringement claims brought against it, and will consult with the other Participant during the handling, and prior to any settlement, of such claims. The Participants will share the costs of resolving such Intellectual Property infringement claims in proportion to their financial contributions for that work specified in Section V (Financial Provisions) of this MOU.

8.10 Authorization and Consent

8.10.1 The Participants will, as permitted by their national laws, regulations, and practices, give their authorization and consent for all use and manufacture in the course of work performed under the Project of any invention covered by Patent, or as determined to be necessary for work under the Project, authorization and consent for copyright, granted or otherwise provided by their respective countries. The Participants will share in the cost of resolving authorization and consent claims in the same manner as Intellectual Property infringement claims are resolved in paragraph 8.9.1 of this Section.

SECTION IX
CONTROLLED UNCLASSIFIED INFORMATION

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

9.1.1 Such Information will be used only for the purposes authorized in accordance with Section VIII (Disclosure and Use of Information) of this MOU.

9.1.2 Access to such Information will be limited to personnel for whom access is necessary for the permitted use under subparagraph 9.1.1 and will be subject to the provisions of Section XII (Third Party Sales and Transfers) of this MOU.

9.1.3 Each Participant will take all lawful steps, which may include national classification, available to it to keep such Information free from further disclosure (including requests under any legislative provisions), except as provided in subparagraph 9.1.2, unless the originating Participant consents to such disclosure. In the event of unauthorized disclosure, or if it becomes probable that the Information may have to be further disclosed under any legislative provisions, immediate notification will be given to the originating Participant.

9.2 To assist in providing the appropriate controls, the originating Participant will ensure that Controlled Unclassified Information is appropriately marked to ensure its "in confidence" nature. The Participants' export-controlled Information will be marked in accordance with the applicable Participant's export control markings as documented in the Project Security Instruction (PSI). The Participants will also decide, in advance and in writing, on the markings to be placed on any other types of Controlled Unclassified Information and describe such markings in the PSI.

9.3 Controlled Unclassified Information provided or generated pursuant to this MOU will be handled in a manner that ensures control as provided for in paragraph 9.1.

9.4 Prior to authorizing the release of Controlled Unclassified Information to Contractors, the Participants will ensure the Contractors are legally bound to control such Information in accordance with the provisions of this Section and this MOU.

SECTION X
VISITS TO ESTABLISHMENTS

10.1 All visits will be in accordance with the General Security Agreement.

10.2 Each Participant will permit visits to its government establishments, agencies and laboratories, and Contractor industrial facilities by employees of the other Participant or by employees of the other Participant's Contractor(s), provided that the visit is authorized by the sending and receiving Participants and the employees have all necessary and appropriate security clearances and need-to-know.

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

10.4 Requests for visits by personnel of one Participant to a facility of the other Participant will be coordinated through official channels, and will conform with the established visit procedures of the Host Participant. Requests for visits will bear the name of the Project.

10.5 Lists of personnel of each Participant required to visit facilities of another Participant, on a continuing basis, will be submitted through official channels in accordance with recurring international visit procedures.

SECTION XI
SECURITY

11.1 All Classified Information or material provided or generated pursuant to this MOU will be stored, handled, transmitted, and safeguarded in accordance with the General Security Agreement.

11.2 Classified Information will be transferred only through official Government-to-Government channels or through channels approved by the DSAs of the Participants. Such Information will bear the level of classification and denote the country of origin, the provisions of release, and the fact that the Information relates to this MOU.

11.3 Each Participant will take all lawful steps available to it to ensure that Classified Information provided or generated pursuant to this MOU is protected from further disclosure, except as permitted by paragraph 11.10, unless the other Participant consents to such disclosure. Accordingly, each Participant will ensure that:

11.3.1 The receiving Participant will not release the Classified Information to any Third Party without the prior written consent of the originating Participant in accordance with the procedures detailed in Section XII (Third Party Sales and Transfers) of this MOU.

11.3.2 The receiving Participant will not use the Classified Information for other than the purposes provided for in this MOU and applicable ISC Activity.

11.3.3 The receiving Participant will comply with any distribution and access restrictions on Information that is required under this MOU.

11.4 The Participants will investigate all cases in which it is known or where there are grounds for suspecting that Classified Information provided or generated pursuant to this MOU has been lost or disclosed to unauthorized persons. Each Participant also will promptly and fully inform the other Participant of the details of any such occurrences, of the final results of the investigation, and of the corrective action taken to preclude recurrences.

11.5 The PMs will jointly prepare a PSI and CG for the MOU. The PSI and CG will describe the methods by which Information will be classified, marked, used, transmitted, and safeguarded, and will require that markings for all export-controlled Classified Information also include the applicable export control markings identified in the PSI in accordance with paragraph 9.2 of Section IX (Controlled Unclassified Information) of this MOU. The PSI and CG will be developed within three months after this MOU enters into effect. They will be reviewed and forwarded to the appropriate DSAs for approval and will be applicable to all Government and Contractor personnel participating in this MOU. The CG will be subject to regular review and revision with the aim of downgrading the classification whenever this is appropriate. The PSI and the

CG will be approved by the appropriate DSAs prior to the transfer of any Classified Information or Controlled Unclassified Information.

11.6 The Participants recognize that certain Classified Information, both Foreground and Background, may be subject to special restrictions which will be established in accordance with the PSI.

11.7 When any ISC Activity contains provisions for the exchange of Classified Information or Material, POs (for PAs) and PMs (for WGs, E&MTAs, and Information Exchange) will jointly update the PSI, as necessary, and prepare a CG for the ISC Activity. The PSI and CG will be finalized by the POs (for PAs) and PMs (for WGs, E&MTAs, and Information Exchange) within three months after an ISC Activity enters into effect and in accordance with the Security Agreement. They will be reviewed and forwarded to the appropriate DSAs for approval, and will be applicable to all government and Contractor personnel participating in the ISC Activity.

11.8 The DSA of the Participant in which a classified Contract is awarded will assume responsibility for administering within its territory security measures for the protection of the Classified Information, in accordance with its laws and regulations. Prior to the release to a Contractor, Prospective Contractor, or subcontractor of any Classified Information received under this MOU, the DSA will:

11.8.1 Ensure that such Contractor, Prospective Contractor, or subcontractor and their facility(ies) have the capability to protect the Classified Information adequately.

11.8.2 Grant a security clearance to the facility(ies), if appropriate.

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

11.8.4 Ensure that all persons having access to the Classified Information are informed of their responsibilities to protect the Classified Information in accordance with national security laws and regulations, and the provisions of this MOU.

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

11.9 The DSAs may carry out periodic security inspections of cleared facilities to ensure that the Classified Information is properly protected.

11.10 Contractors, Prospective Contractors, or subcontractors who are determined by DSAs to be under financial, administrative, policy, or management control of nationals or entities of a Third Party, may participate in a Contract or subcontract requiring access to Classified Information provided or generated pursuant to this MOU only when enforceable measures are in effect to ensure that nationals or other entities of a Third Party will not have access to Classified Information. If enforceable measures are not in

effect to preclude access by nationals or other entities of a Third Party, the other Participant will be consulted for approval prior to permitting such access.

11.11 For any facility wherein Classified Information is to be used, the responsible Participant or Contractor will approve the appointment of a person or persons to exercise effectively the responsibilities for safeguarding at such facility the Information pertaining to this MOU. These officials will be responsible for limiting access to Classified Information involved in this MOU to those persons who have been properly approved for access and have a need-to-know.

11.12 Each Participant will ensure that access to the Classified Information is limited to those persons who possess requisite security clearances and have a specific need for access to the Classified Information in order to participate in the ISC Activity.

11.13 Information or Material provided or generated in accordance with the MOU may be classified up to and including Secret. The existence of this MOU is unclassified and the contents are unclassified.

SECTION XII
THIRD PARTY SALES AND TRANSFERS

12.1 The Participants will not sell, transfer title to, disclose, or transfer possession of Foreground Information (or any item produced either wholly or in part from Foreground Information), or jointly acquired or produced Equipment and Material, to any Third Party without the prior written consent of the Government of the other Participant. Furthermore, neither Participant will permit any such sale, disclosure, or transfer, including by the owner of the item, without the prior written consent of the Government of the other Participant. Such consent will not be given unless the Government of the intended recipient consents in writing with the other Participants that it will:

12.1.1 not retransfer, or permit the further retransfer of, any Equipment and Material, or Information provided; and

12.1.2 use, or permit the use of, the Equipment and Material, or Information provided only for the purposes specified by the Participants.

12.2 A Participant will not sell, transfer title to, disclose, or transfer possession of Equipment and Material or Background Information provided by the other Participant to any Third Party without the prior written consent of the Government of the Participant that provided such Equipment and Material or Information. The providing Participant's Government will be solely responsible for authorizing such transfers and, as applicable, specifying the method and provisions for implementing such transfers.

12.3 Consent for Third Party sales and transfers of Foreground Information, jointly acquired Project Equipment, or any item produced either wholly or in part from Foreground Information will be subject to national laws, regulations, and policies. A Participant's Government's approval of the other Participant's Government's proposed sale or transfer to a Third Party will take into account its willingness to sell or transfer such equipment or information to the same Third Party.

SECTION XIII
LIABILITY AND CLAIMS

13.1 Claims arising under this MOU will be dealt with under paragraph 1 of the Agreement Concerning Defense Cooperation Arrangements of May 27, 1993, as amended. The cost of claims addressed in paragraph 1(b)(ii) of that Agreement will be shared in the same ratio as the Participants' financial and non-financial contributions specified in each PA to this MOU..

13.2 If a person or entity, other than the Participants' military or civilian personnel, damages jointly acquired equipment, and the cost of making good such damage is not recoverable from such person or entity, such cost will be borne by the Participants in the same ratios as their financial and non-financial contributions specified in individual PAs established under this MOU.

13.3 Claims arising under or related to any Contract awarded pursuant to Section VI (Contracting Provisions) of this MOU will be resolved in accordance with the provisions of the Contract.

13.4 Employees and agents of Contractors will not be considered civilian personnel of a Participant for the purpose of this Section.

SECTION XIV
CUSTOMS DUTIES, TAXES, AND SIMILAR CHARGES

14.1 Customs duties, import and export taxes, and similar charges will be administered in accordance with each Participant's respective laws and regulations. Insofar as existing national laws and regulations permit, the Participants will endeavor to ensure that such readily identifiable duties, taxes, and similar charges, as well as quantitative or other restrictions on imports and exports, are not imposed in connection with work carried out under this MOU and applicable ISC Activity.

14.2 Each Participant will use its best efforts to ensure that customs duties, import and export taxes, and similar charges are administered in a manner favorable to the efficient and economical conduct of the work. If any such duties, taxes, or similar charges are levied, the Participant in whose country they are levied will bear such costs as a cost to that Participant over and above that Participant's financial contribution under this MOU.

14.3 If, in order to apply European Community regulations, it is necessary to levy duties, then these will be met by the European Member recipient. To this end, parts or components of the equipment coming from outside of the European Community will proceed to their final destination accompanied by the relevant customs document enabling settlement of duties to take place. The duty will be levied as a cost over and above the relevant Participant's shared cost in support of an ISC Activity under a PA. .

SECTION XV
SETTLEMENT OF DISPUTES

15.1 Disputes between the Participants arising under or relating to this MOU or associated PAs or E&MTAs will be resolved only by consultation between the Participants of this MOU or the relevant PA or E&MTA and will not be referred to a national court, to an international tribunal, or to any other person or entity for settlement.

SECTION XVI
GENERAL PROVISIONS

16.1 All activities of the Participants under this MOU will be carried out in accordance with their national laws and regulations, including their export control laws and regulations.

16.2 The obligations and responsibilities of the Participants will be subject to the availability of funds for such purposes.

16.3 In the event of a conflict between a Section of this MOU and any Annex to this MOU or PAs under this MOU, the MOU will take precedence. However, a PA under this MOU may contain specific provisions that are identified as deviating from the provisions of this MOU, in which case the deviating PA provisions will govern for that PA.

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

SECTION XVII
AMENDMENT, TERMINATION, ENTRY INTO EFFECT, AND DURATION

17.1 This MOU, PAs, and E&MTAs, may be amended by the mutual written consent of the Participants.

17.2 This MOU, PAs, and E&MTAs, may be terminated at any time upon the written consent of the Participants. In the event that the Participants consent to terminate this MOU, a PA, or an E&MTA, the Participants will consult prior to the date of termination to ensure termination on the most economical and equitable basis.

17.3 A Participant may terminate this MOU upon one hundred eighty (180)-day written notification of its intent to terminate to the other Participant. A Participant may terminate a PA upon ninety (90)-day written notification to the other Participant. The providing Participant may terminate an E&MTA immediately upon written notification, and the receiving Participant may terminate an E&MTA upon sixty (60)-day written notification. Such notice will be the subject of immediate consultation by the SC to decide upon the appropriate course of action to conclude the activities under this MOU, or its PAs or E&MTAs. In the event of such termination, the following rules apply:

17.3.1 The terminating Participant will continue its participation, financial or otherwise, up to the effective date of termination of the MOU, PA, and/or E&MTA, as appropriate.

17.3.2 Except as to Contracts awarded on behalf of both Participants, each Participant will be responsible for its own costs associated with termination of the MOU, PA, or E&MTA. For Contracts awarded on behalf of both Participants, the terminating Participant will pay all Contract modification or termination costs that would not otherwise have been incurred but for the decision to terminate; in no event, however, will a terminating Participant's total financial contribution, including Contract termination costs, exceed that Participant's Cost Ceiling for financial contributions as established in an individual PA.

17.3.3 All Information and rights therein received under the provisions of this MOU, and its PAs or E&MTAs, prior to termination will be retained by the Participants, subject to the provisions of this MOU, its PAs, or E&MTAs.

17.3.4 If requested by the other Participant, the terminating Participant may continue to administer the Contract(s) that it awarded on behalf of the other Participant, on a reimbursable basis.

17.3.5 Specific termination provisions consistent with this Section may be established in PAs, or E&MTAs.

17.4 The respective benefits and responsibilities of the Participants regarding Section VII (Equipment and Material Transfers), Section VIII (Disclosure and Use of Information), Section IX (Controlled Unclassified Information), Section XI (Security), Section XII (Third Party Sales and Transfers), Section XIII (Liability and Claims), Section XV (Settlement of Disputes), Section XVI (General Provisions), and this Section XVII (Amendment, Termination, Entry Into Effect, and Duration) of this MOU will continue to apply notwithstanding termination or expiration of this MOU, its PAs, and its E&MTAs.

17.5 This MOU, which consists of seventeen (17) Sections and three (3) Annexes, will enter into effect upon signature by both Participants and will remain in effect for twenty (20) years. It may be extended by written consent of the Participants. PAs and E&MTAs will enter into effect upon signature by the authorized representatives of the Participants. All PAs and E&MTAs will automatically terminate upon the termination or expiration of this MOU.

The following represents the understandings reached between the U.S. DoD and the UK MOD upon the matters referred to herein.

SIGNED, in duplicate, in the English language.

FOR THE DEPARTMENT OF DEFENCE OF THE UNITED STATES OF AMERICA:	FOR THE SECRETARY OF STATE FOR DEFENCE OF THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND:
Signature	Signature
Peter N. Fuller	M. Riddell-Webster
Name	Name
Brigadier General, USA Program Executive Officer Soldier	Brigadier UK, Director Equipment Capability (Ground Manoeuvre)
Title	Title
12 MAR 2009	12 March 2009
Date	Date
Fort Belvoir, VA	Fort Belvoir
Location	Location

ANNEX A

MODEL PROJECT ARRANGEMENT (PA)

PROJECT ARRANGEMENT NUMBER * _____

BETWEEN

THE DEPARTMENT OF DEFENSE
OF THE UNITED STATES OF AMERICA
AND
THE SECRETARY OF STATE FOR DEFENCE
OF THE
UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND

UNDER THE MEMORANDUM OF UNDERSTANDING

CONCERNING
COOPERATION ON FUTURE RESEARCH, DEVELOPMENT, TEST, AND EVALUATION PROJECTS FOR THE INTEGRATED SOLDIER CAPABILITY

DATED *(insert signature date of ISC MOU)*

CONCERNING

(FULL TITLE OF THE ISC PROJECT)

***The U.S. DoD will assign the Project Arrangement Number.**

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(At a minimum, a PA should include the above sections. If additional topics need to be addressed, sections, annexes, or special provisions should be included as necessary and appropriate.)

NOTE: Section titled "Level of Classification and Markings" appears to be Section VIII within the text of this Annex.

INTRODUCTION

This Integrated Soldier Capability (ISC) Project Arrangement (PA) **(INSERT TITLE OF PA)** is entered into pursuant to the Memorandum of Understanding between the Department of Defense of the United States of America and Secretary of State for Defence of the United Kingdom of Great Britain and Northern Ireland Concerning Cooperation on Future Research, Development, Test, and Evaluation Projects for the Integrated Soldier Capability (ISC), dated _____.

SECTION I
DEFINITIONS OF TERMS AND ABBREVIATIONS

(Define only those terms used in this PA that have not been defined in the MOU.)

SECTION II
OBJECTIVES

The objectives of this _____ PA are:

a. The enhancement of _____(for example enhance interoperability between the Participants' respective Integrated Soldier Capability) ____.

b. The development of _____.

c. The improvement of _____.

SECTION III
SCOPE OF WORK

The following work will be carried out under this PA.

a. Develop _____.

b. Evaluate _____.

c. Design, fabricate, and test _____.

SECTION IV
SHARING OF TASKS

The sharing of tasks will be as follows:

a. The U.S. DoD will _____.

b. The UK MOD will _____.

c. U.S. DoD and UK MOD will jointly _____.

(1) Jointly prepare the final report.

SECTION V
BREAKDOWN AND SCHEDULE OF TASKS
(IF REQUIRED)

The Project will proceed according to the following phases and schedule. Note that national priorities may pre-empt approved schedules in PAs. Should the national priorities of one Participant impact the agreed schedule, the POs will consult with a view toward continuation on a modified basis.

Phase 1	Start	End
Description of Phase 1	Month X	Month Y

(Milestone 1) (e.g., Transmittal of Feasibility Report)

Phase 2	Start	End
Description of Phase 2	Month X	Month Y

(Milestone 2) (e.g., Decision to proceed to Phase 3)

Phase 3	Start	End
Description of Phase 3	Month X	Month Y

(Milestone 3) (e.g., Evaluation, analysis of results)

(Add as many phases as necessary.)

The final report must be transmitted to the SC six months before the termination date for this PA.

SECTION VI
MANAGEMENT

1. This PA will be directed and administered on behalf of the Participants by one Project Officer (PO) from each Participant. The POs are:

U.S. DoD PO Title/Position _____

Organization _____

UK MOD PO Title/Position _____

Organization _____

2. Project Offices will be established in _____ **(name of U.S. location)** and in _____ **(name of UK location)**. The POs are responsible for management of those tasks listed as national responsibilities in Section IV (Sharing of Tasks) in this PA.

3. Particular Management Procedures:

(Mention only those additional management responsibilities not covered under Section IV of the MOU. For instance, if a PA will be administered by one Joint Project Office (JPO) staffed by members from each Participant, add the following Paragraph:

4.x Each Participant may assign personnel to the JPO to assist in administering a PA. The Host Participant will provide office space and administrative support to the personnel of the other Participant in accordance with the Host Participant's normal practice. A Participant's assigned personnel will be subject to the normal procedures and regulations of the Host Participant. Provisions for the personnel provided are described in Annex A to this PA.)

SECTION VII
FINANCIAL PROVISIONS

The Participants estimate that the cost of performance of the tasks under this PA will not exceed _____. (State total cost in both Participants' currency and fiscal year.)

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

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
DoD Financial						
DoD Non-Financial						
MOD Financial						
MOD Non-Financial						
Total						

(Using the above table and whatever description is necessary, specify how the PA will be funded. Specify both financial (funds) and non-financial (range time, use of equipment, etc.) contributions, and the amount of funds to be transferred between the Participants.)

(The Financial Management Procedures Document (FMPD) should be developed by the POs and submitted to the PMs, if appropriate, for approval. The FMPD should include, at a minimum, schedule, handling, funding levels by year, exchange rate used, economic conditions (constant/outturn prices), and auditing procedures for monetary contributions anticipated for this PA.)

Cooperative efforts of the Participants over and above the mutually-determined tasks specified in Section III (Scope of Work), Section IV (Sharing of Tasks), and Section VII (Financial Provisions) in this PA will require signature of an amendment or a new PA.

(If a PA will involve the assignment of CPP, the PA will include a provision that refers to paragraphs 5.6 – 5.8 of the MOU, identify which Participant is sending or hosting CPP, and specify the number of CPPs to be assigned. In addition, the PA will include the amount of financial and non-financial contribution related to CPP as shown below in this section.)

(If a PA will not involve one Participant contracting for the other or both Participants, and no funds will be exchanged between the Participants, use the following format for the financial arrangements. Both financial and non-financial contributions should be included in the total U.S. DoD and UK MOD costs.)

The U.S. DoD tasks will not cost more than: _____ U.S. $ or UK £ (state economic conditions & exchange rate @ constant or outturn prices)

The UK MOD tasks will not cost more than: _____ UK £ or U.S. $ (state economic conditions & exchange rate @ constant or outturn prices)

SECTION VIII
LEVEL OF CLASSIFICATION AND MARKINGS

1. **Only one of the three following possibilities may be selected:**

   a. No Classified Information will be exchanged under this PA.

   b. The highest level of Classified Information exchanged under this PA is CONFIDENTIAL.

   c. The highest level of Classified Information exchanged under this PA is SECRET.

2. The Participants' export-controlled Controlled Unclassified Information and Classified Information will be marked in accordance with the applicable Participant's export control markings as documented in the Project Security Instruction.

3. The existence of this PA is **[Insert classification]** and its contents are **[Insert classification]**.

SECTION IX
PRINCIPAL ORGANIZATIONS INVOLVED

(List the organizations and facilities of the Participants.)

SECTION X
EQUIPMENT AND MATERIAL TRANSFER
(IF REQUIRED)

1. The transfer of the following Equipment and Material is necessary for executing this ISC PA:

Providing Participant	Receiving Participant	Qty	Description	Part/ Stock #	Consumable Non-Consumable	Transfer Period	Estimated Replacement Value *

(Fill in as appropriate.)

* Estimated replacement value is a good faith estimate of the replacement value at the time of the loan. Should a loss occur, the actual replacement value will be determined by the providing Participant.

NOTES:

1. In the event that the cooperative efforts under the PA require the provision of Equipment and Material to either Participant, a list of such Equipment and Material must be developed in general accordance with the preceding table. (Equipment and Material that cannot be identified at the time of PA signature will be documented, when identified, in a list to be developed and maintained by the PMs in the format at Annex C.)

2. If jointly acquired Equipment and Material is an aspect of the cooperative effort under the PA, terms and conditions for the disposal of such jointly acquired Equipment and Material must be included in the PA.

SECTION XI
AMENDMENT AND TERMINATION

1. The provisions of this PA may be amended in accordance with paragraph 17.1 of the MOU.

2. This PA may be terminated at any time in accordance with the provisions of Section XVII (Amendment, Termination, Entry Into Effect, and Duration) of the MOU.

SECTION XII
ENTRY INTO EFFECT, DURATION, AND TERMINATION

This _____ Integrated Soldier Capability PA, a Project under the Memorandum of Understanding between the Department of Defense of the United

States of America and the Secretary of State for Defence of the United Kingdom of Great Britain and Northern Ireland, Concerning Cooperation on Future Research, Development, Test, and Evaluation Projects for the Integrated Soldier Capability, will come into effect upon signature by the Participants, and will remain in effect for ____ years unless terminated by the Participants. It may be extended by the written mutual determination of the Participants.

FOR THE DEPARTMENT OF DEFENSE OF THE UNITED STATES OF AMERICA:	FOR THE SECRETARY OF STATE FOR DEFENCE OF THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND:
_____	_____
Signature	Signature
_____	_____
Name	Name
_____	_____
Title	Title
_____	_____
Date	Date
_____	_____
Location	Location

ANNEX B

COOPERATIVE PROJECT PERSONNEL (CPP)

ASSIGNMENT OF ISC COOPERATIVE PROJECT PERSONNEL

1.1 Purpose and Scope:

1.1.1 This Annex to the ISC MOU establishes the terms and provisions that will govern the conduct of the Cooperative Project Personnel (CPP). During the term of the MOU, each Participant will be permitted to assign military members or civilian employees to a Joint Project Office (JPO) established in a PA under the MOU or to the other Participant's Project Office or other facility. CPP must be able to perform all responsibilities for the positions assigned to them in conjunction with a PA under the MOU. Commencement of assignments will be subject to any requirements that may be imposed by the Host Participant or its Government regarding acceptance of CPP, such as, but not limited to, visas and visit request documentation. The Participants will determine the length of tour for the positions at the time of initial assignment.

1.1.2 CPP will be assigned for project work (including work at Participant Contractor facilities) and will report to their designated supervisor within those organizations regarding that work. The designated supervisor will be responsible for the creation of a document describing the duties of each CPP position (Appendix 1), and submission to the PMs for approval. CPP will not act in any other capacity on behalf of their Parent Participant's organization (such as liaison officers).

1.1.3 CPP 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 Host Participant's Government.

2.1 Security:

2.1.1 The Participants will establish the maximum level of security clearance required, if any, to permit CPP to have access to Classified Information and facilities in which Classified Information is used in accordance with the Project Security Instructions (PSI) and Classification Guide (CG). Access to Classified Information and facilities in which Classified Information is used will be consistent with, and limited by, Section II (Objectives) and Section III (Scope of Work) of the PA and the corresponding provisions of this Annex and the MOU, and will be kept to the minimum required to accomplish the work assignments.

2.1.2 The Parent Participant will file visit requests for the CPP through prescribed channels in compliance with the Host Participant's procedures. The Participants

will cause security assurances to be filed, through their respective embassies, specifying the security clearances for the CPP being assigned. The security assurances will be prepared and forwarded through prescribed channels in compliance with established procedures.

2.1.3 The Participants will use their best efforts to ensure that CPP assigned to the JPO or activities are made aware of, and comply with, applicable laws and regulations, as well as the requirements of Section VIII (Disclosure and Use of Information), Section IX (Controlled Unclassified Information), Section XI (Security) of the MOU, the corresponding provisions of this Annex, the PSI, and the CG. Prior to commencing assigned duties, CPP will, if required by the Host Participant's Government laws, regulations, policies, or procedures, sign a certification concerning the conditions and responsibilities of CPP.

2.1.4 CPP will at all times be required to comply with the security and export laws, regulations, and procedures of the Host Government, as briefed in accordance with subparagraph 3.1.2 of this Annex. Any violation of security or export procedures by CPP during their assignment will be reported to the Parent Participant for appropriate action. CPP committing willful violations of security or export laws, regulations, or procedures during their assignments may be withdrawn from the Project with a view toward appropriate administrative or disciplinary action by the Parent Participant.

2.1.5 All Classified Information made available to CPP will be considered as Classified Information furnished to the Parent Participant, and will be subject to all of the provisions and safeguards provided for in a PA, this Annex, the ISC MOU, the PSI, and the CG.

2.1.6 CPP will not have personal custody of Classified Information or Controlled Unclassified Information, unless approved by the Host Participant and as authorized by the Parent Participant. CPP will be granted access to such Information in accordance with the provisions of the PSI during duty hours when access is necessary to perform Project work. Unless specifically authorized, they may not have unsupervised access to classified libraries or operating centers, or to document catalogues, unless the Information therein is releasable to the public.

2.1.7 CPP will not serve as a conduit between the Host Participant and the Parent Participant for requests for and/or transmissions of Classified Information or Controlled Unclassified Information outside the scope of their assignment unless specifically authorized in the PSI.

3.1 Technical and Administrative Matters:

3.1.1 The tax treatment of income received by CPP from the Parent Participant will be determined by reference to the tax legislation of the Host Government and the Parent Government, subject to the terms of any double taxation agreement in force between the Government of the Host Participant and the Government of the Parent Participant, or by the terms of the NATO Status of Forces Agreement.

3.1.2. CPP and their authorized dependents will be accorded exemption from any Host Participant'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.

3.1.3 Upon or shortly after arrival at the duty station, CPP will be informed by the Host Participant representative about applicable laws, orders, regulations, and customs and the need to comply with them. CPP will also be provided briefings arranged by Host Participant representative regarding (subject to applicable multilateral and bilateral arrangements) applicable entitlements, privileges, and obligations such as:

3.1.3.1 Any medical or dental care that may be provided to CPP and their dependents at the Host Participant's medical facilities, subject to applicable laws and regulations, including reimbursement when required by such laws and regulations, and any bilateral or multilateral agreements or arrangements.

3.1.3.2 Purchasing and patronage privileges at military commissaries, exchanges, theaters, and clubs for CPP and their dependents, subject to applicable laws and regulations, and any bilateral or multilateral agreements or arrangements.

3.1.3.3 Responsibility of CPP 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 CPP and their dependents, the recourse will be against such insurance.

3.1.4 The Host Participant will provide, if available, housing and messing facilities for CPP and their dependents on the same basis and priority as for its own personnel. CPP will pay messing and housing charges to the same extent as Host Participant personnel. At locations where facilities are not provided by the Host Participant for its own personnel, the Parent Participant will make suitable arrangements for its CPP.

3.1.5 The PMs, through the JPO and Host Participant activities, will establish standard operating procedures for CPP in the following areas:

3.1.5.1 Working hours, holiday schedules, and leave authorization, consistent to the extent possible with the military and civilian personnel regulations and practices of the Host Participant and Parent Participant.

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

3.1.5.3 Performance evaluations, recognizing that such evaluations will be rendered in accordance with the Parent Participant's military or civilian personnel regulations and practices.

3.1.6 CPP committing an offense under the laws of the Government of either the Parent or Host Participant may be withdrawn from this project with a view toward further administrative or disciplinary action by the Parent Participant. Disciplinary action, however, will not be taken by the Host Participant against CPP from the Parent Participant, nor will CPP from the Parent Participant exercise disciplinary authority over Host Participant personnel. In accordance with the Host Participant's laws, regulations, and procedures, the Host Participant will assist the Parent Participant in carrying out investigations of offenses involving CPP. Criminal jurisdiction will be in accordance with the applicable law of the Host Participant as well as any applicable international agreements.

3.1.7 During their assignment, CPP will not be placed in the following duty status or environments unless mutually decided by the Host Participant and Parent Participant:

3.1.7.1 Areas of political sensitivity where their presence may jeopardize the interests of either the Host Participant or Parent Participant, or where, in the normal course of their duty, they may become involved in activities which may embarrass either Participant.

3.1.7.2 Deployments in non-direct hostility situations, such as UN peacekeeping or multi-national operations, or third countries.

3.1.7.3 Duty assignments in which direct hostilities are likely. Should a Host Participant's facility become involved in hostilities unexpectedly, CPP assigned to that facility will not be involved in the hostilities. Any such CPP approved by the Host Participant and Parent Participant for involvement in hostilities will be given specific guidance as to the conditions under which the assignment will be carried out by the appropriate authorities of the Host Participant and Parent Participant.

APPENDIX 1

COOPERATIVE PROJECT PERSONNEL POSITION DESCRIPTION

1. Position:

a. Title: Cooperative Project Personnel

2. Position Location:

3. Qualifications/Skills Required for Position: ***(Insert appropriate data, e.g., accredited degree in a scientific or related subject, staff and/or operational experience in rotary-wing aircraft. Military specialty similar to U.S. Aviation Product Manager and/or acquisition engineering experience. Previous experience in tactical helicopter operations.)***

4. General categories of Information to which access will be required: ***Insert appropriate categories, e.g., provided oral and visual access to Information required to perform the duties outlined in this Position Description.***

5. Description of Specific Duties: The CPP will perform the following tasks and responsibilities as mutually determined by the respective Program Manager (PM).

a. CPP Officer will be primarily responsible for ***(Insert responsibilities, e.g. coordinating the administration and oversight of the ISC MOU).***

b. CPP will require Information access to ***(Insert specific Information access requirements, e.g., research, development and engineering programs involving the AH-64D Apache Longbow Attack helicopter).***

c. Identify specific duties.

d. Identify anticipated travel requirements and locations.

e. CPP will attend technical meetings and symposia as required in performance of assigned duties.

f. Identify reporting requirements [e.g., **provide a monthly summary of the U.S./UK programs that are undertaken as separate PAs under the ISC MOU**] and any detailed requirement [e.g., **this report is to cover upgrade plans and program execution, associated technology programs in the U.S. DoD, UK MOD and industry, and in-service support and engineering issues. It should also include forecasts of forthcoming trials, tests and program reviews.**]

g. Attend U.S. and UK project reviews and provide a summary report of PA activity at these reviews as required.

h. In support of the MOU, advise the PMs of the Participants' procurement and fielding policies, and of their support and logistics doctrine and organization.

i. Brief progress on the PA to PMs as directed.

ANNEX C

MODEL EQUIPMENT AND MATERIAL TRANSFER ARRANGEMENT (E&MTA)

E&MTA NUMBER **(EMT-XXXX*)**

BETWEEN

THE DEPARTMENT OF DEFENSE
OF THE UNITED STATES OF AMERICA
AND
THE SECRETARY OF STATE FOR DEFENCE
OF THE
UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND

UNDER THE MEMORANDUM OF UNDERSTANDING

CONCERNING
COOPERATION ON FUTURE RESEARCH, DEVELOPMENT, TEST, AND
EVALUATION PROJECTS FOR THE
INTEGRATED SOLDIER CAPABILITY

***The U.S. DoD will assign the E&MTA number.**

INTRODUCTION

This Equipment and Material Transfer Arrangement (E&MTA) is entered into pursuant to the Memorandum of Understanding between the Department of Defense of the United States of America and the Secretary of State for Defence of the United Kingdom of Great Britain and Northern Ireland, Concerning Cooperation on Future Research, Development, Test and Evaluation Projects for the Integrated Soldier Capability (ISC) **(Insert effective date of the ISC MOU)**. This E&MTA is being executed by authorized representatives of the providing and receiving Participants pursuant to Section VII (Equipment and Material Transfer) of the ISC MOU.

SECTION 1
DESCRIPTION AND QUANTITY

1.1 The following Equipment and Material will be transferred by the providing Participant to the receiving Participant:

Providing Participant	Receiving Participant	Qty	Description	Part/ Stock #	Consumables/ Non-Consumables	Return Date	Estimated Replacement Value *

(Fill in as appropriate)

*Estimated replacement value is a good faith estimate of the replacement value at the time of the loan. Should a loss occur, the actual replacement value will be determined by the Providing Participant.

1.2 **(Choose one of the following alternatives, or use both if both situations apply.)**

Alternative A –Use when return of Equipment and Material is planned.

None of the Equipment and Material identified in paragraph 1.1 is intended to be consumed or expended during the course of the ISC Activities described in subparagraph 2.1.1.

Alternative B –Use when return of Equipment and Material is not planned due to its consumption during the Activity.

The Equipment and Material (specify as appropriate by highlighting in paragraph 1.1) described in paragraph 1.1 is intended to be consumed or expended during the course of the ISC Activities described in subparagraph 2.1.1.

SECTION II
PURPOSE

2.1 The purpose of this E&MTA is to support the following ISC Activities:

2.1.1 (Fill in as appropriate)

SECTION III
MANAGEMENT AND RESPONSIBILITIES

3.1 Each Participant will establish a point of contact who will be responsible for implementing this E&MTA.

3.1.1 For the providing Participant the point of contact is *

3.1.2 For the receiving Participant the point of contact is *

- **Insert the appropriate names, title/office symbols, addresses, and telephone numbers of the individuals assigned to implement the E&MTA.**

3.2 Responsibilities of the Providing Participant

3.2.1 Transfer of the Equipment and Material – The providing Participant will transfer the Equipment and Material listed above for the duration of the transfer period specified in paragraph 6.4 unless extended by mutual written consent.

3.2.2 Equipment and Material Delivery – The providing Participant will deliver the Equipment and Material **(specify arrangements)**. Responsibility for the Equipment and Material will pass from the providing Participant to the receiving Participant at the time of receipt of the Equipment and Material. Any further transportation is the responsibility of the receiving Participant unless otherwise specified in this paragraph.

3.2.3 Information – The providing Participant will furnish the receiving Participant such Information as is necessary to enable the Equipment and Material to be used in the ISC Activities described in subparagraph 2.1.1 in accordance with Section VIII (Disclosure and Use of Information) of the MOU.

3.3 Responsibilities of the Receiving Participant

3.3.1 Inspection and Inventory – The receiving Participant will inspect and inventory the Equipment and Material upon receipt. The receiving Participant will also inspect and inventory the Equipment and Material prior to its return to the providing Participant.

3.3.2 **(Choose one of the following alternatives, or use both if both situations apply.)**

Alternative A – Use when return of Equipment and Material is planned.

Return of Equipment and Material – Upon expiration or termination of the transfer period specified in paragraph 6.4 (taking into account any approved extensions by the providing Participant), the receiving Participant will return the Equipment and Material to the providing Participant **(specify arrangements)**. If the Equipment and Material is lost, unintentionally destroyed, or damaged beyond economical repair while in the custody of the receiving Participant, the receiving Participant will issue a certificate of loss/destruction/irreparable damage to the providing Participant and pay the replacement value specified.

Alternative B – Use when return of Equipment and Material is not planned due to its consumption during the activity.

Consumption of Equipment and Material – It is intended that the receiving Participant will consume the Equipment and Material specified in paragraph 1.1 during the course of the research, development, test and evaluation activities described in subparagraph 2.1.1. If this does occur, the receiving Participant will provide written notice of its consumption to the providing Participant. In the event consumption does not occur prior to the end of the transfer period specified in paragraph 6.4, the receiving Participant will return the Equipment and Material to the providing Participant **(specify arrangements)**. If the Equipment and Material is lost, unintentionally destroyed, or damaged beyond repair prior to its intended consumption while in the custody of the receiving Participant, the receiving Participant will issue a certificate of loss/destruction/irreparable damage to the providing Participant and pay the replacement value specified.

3.4 This ISC E&MTA provides only for transfer of Equipment and Material associated with the ISC Activities described in subparagraph 2.1.1. Signature of this ISC E&MTA does not imply any commitment by a Participant to participate in any activities beyond the E&MT described herein.

SECTION IV
SPECIAL PROVISIONS **(OPTIONAL)**

4.1 **(Insert any special provisions as required.)**

SECTION V
CLASSIFICATION

5.1 **(One of the two following paragraphs must be selected.)**

No classified Equipment and Material will be transferred under this ISC E&MTA.

or

The highest level of classified Equipment and Material under this ISC E&MTA is **(insert level of classification)**.

SECTION VI
AMENDMENT, TERMINATION, AND TRANSFER PERIOD

6.1 The provisions of this E&MTA may be amended by written mutual consent of authorized representatives of the Participants in accordance with paragraph 17.1 of the MOU.

6.2 The E&MT described in this ISC E&MTA may be terminated at any time in accordance with paragraphs 17.2 and 17.3 of the MOU.

6.3 Responsibilities regarding security and protection against unauthorized use, disclosure, or transfer that accrued prior to termination or expiration of the transfer period will continue to apply without limit of time in accordance with Section XVII (Amendment, Termination, Entry Into Effect, and Duration) of the ISC MOU.

6.4 The transfer period for the Equipment and Material described herein begins on the date of the last signature below, and unless terminated or extended, will continue until **(enter date or amount of time)**.

FOR THE DEPARTMENT OF DEFENSE OF THE UNITED STATES OF AMERICA

Signature

Name

Title

Date

Location

FOR THE SECRETARY OF STATE FOR DEFENCE OF THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND

Signature

Name

Title

Date

Location