

DEFENSE

Acquisition and Cross-Servicing

**Agreement Between the
UNITED STATES OF AMERICA
and ISRAEL**

Signed at Washington and Stuttgart
February 9 and 10, 1998

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.”

ISRAEL

Defense: Acquisition and Cross-Servicing

*Agreement signed at Washington and Stuttgart
February 9 and 10, 1998;
Entered into force February 10, 1998.
With annexes.*

ACQUISITION AND CROSS-SERVICING AGREEMENT

(US-IS-02)

BETWEEN

THE DEPARTMENT OF DEFENSE

OF THE UNITED STATES OF AMERICA

AND

THE ISRAEL MINISTRY OF DEFENSE

Effective Date: 10 February 1998

**ACQUISITION AND CROSS-SERVICING AGREEMENT (ACSA)
(US-IS-02)
BETWEEN
THE DEPARTMENT OF DEFENSE
OF THE UNITED STATES OF AMERICA
AND
THE ISRAEL MINISTRY OF DEFENSE**

PREAMBLE

THIS AGREEMENT, by and between the Department of Defense of the United States of America and the Israel Ministry of Defense (MOD) (hereinafter referred to as the Parties);

NOW, THEREFORE, the Parties mutually agree as follows:

**ARTICLE I
PURPOSE**

This Agreement is entered into for the purpose of establishing basic terms, conditions, and procedures to facilitate the reciprocal provision of logistic support, supplies, and services as defined in Article III of this Agreement.

This Agreement replaces the Mutual Support Agreement (MSA) (Agreement Number US-IS-01) between the United States Department of Defense Represented by the Director of Logistics Headquarters United States European Command and the Israel Ministry of Defense Represented by the Deputy Director General International Security Assistance, 24 May 1988 and its amendments 1 and 2. Any transactions, Orders, or requests for support executed or partially executed prior to the effective date of this agreement under the authority of the referenced MSA, as amended, will remain binding, and will be governed by the provisions of this Agreement. Any reference to the MSA will hereafter be deemed as a reference to this Agreement.

**ARTICLE II
APPLICABILITY**

1. This agreement is designed to facilitate reciprocal logistic support between the Parties to be used primarily during combined exercises, training, deployments, operations, or other cooperative efforts, and for unforeseen circumstances or exigencies in which the Parties may have a need of logistic support, supplies, and services.

2. This Agreement applies to the reciprocal provision of logistic support, supplies, and services to the military forces of one Party by the other Party in return for either cash payment or the reciprocal provision of logistic support, supplies and services to the military forces of the other Party.

3. Acquisitions and transfers under this Agreement, and any implementing arrangements or transactions executed hereunder, are made subject to the authorized availability of appropriations and funds, and acquisition and transfer limitations established by the laws and regulations of the United States and Israel.

4. The following items are not eligible for transfer under this Agreement and are specifically excluded from its coverage:

- a. weapons systems
- b. major end items of equipment (except for the lease or loan of general purpose vehicles and other nonlethal items of military equipment which are not designated as significant military equipment on the United States Munitions List);
- c. initial quantities of replacement and spare parts associated with the initial Order quantity of major items of organizational equipment covered in tables of allowances and distribution, tables of organization and equipment, and other documents of this type.

5. Also excluded from transfer by either Party under this Agreement are any items the transfer of which is prohibited by its laws or regulations. Specifically excluded from transfer by United States law and regulation under this Agreement are the following:

- a. guided missiles;
- b. naval mines and torpedoes;
- c. nuclear ammunition and included items such as warheads, warhead sections, projectiles, demolition munitions, and training ammunition;
- d. cartridge and air crew escape propulsion system (AEPS) components;
- e. chaff and chaff dispensers;
- f. guidance kits for bombs or other ammunition;
- g. chemical ammunition (other than riot control agents);
- h. source, byproduct, or special nuclear materials or any other material, article, data, or thing of value the transfer of which is subject to the Atomic Energy Act of 1954 (title 42, United States Code, section 2011, et seq.).

ARTICLE III
DEFINITIONS

1. As used in this Agreement and in any Implementing Arrangements which provide specific procedures, the following definitions apply:

a. Logistic support, supplies and services. Food, water, billeting, transportation (including airlift), petroleum, oils, lubricants, clothing, communication services, medical services, ammunition, base operations support (and construction incident to base operations support), storage services, use of facilities, training services, spare parts and components, repair and maintenance services, calibration services, and airport and seaport services. Such term includes temporary use of general purpose vehicles and other nonlethal items of military equipment which are not designated as significant military equipment on the United States Munitions List pursuant to section 38(a)(1) of the Arms Export Control Act (AECA), 22 U.S. Code 2778(a)(1).

b. Implementing Arrangement. A written supplementary agreement related to the specific acquisition and/or transfer of logistic support, supplies and services, which sets forth additional details, terms and conditions which further define and carry out this Agreement.

c. Order. An Order or support request, when in its proper form and signed by an authorized official (see Article IV, paragraph 2 below), is a request for the provision of specific logistic support, supplies and services pursuant to this Agreement and any applicable Implementing Arrangement.

d. Invoice. A document from the supplying Party which requests reimbursement or payment for specific logistic support, supplies and services rendered pursuant to this Agreement and any applicable Implementing Arrangements.

e. Transfer. Selling (whether for payment in currency, replacement-in-kind, or exchange of supplies or services of equal value), leasing, loaning, or otherwise temporarily providing logistic support, supplies, and services pursuant to this Agreement and any applicable Implementing Arrangements.

f. Retransfer. The transfer of logistic support, supplies, and services received pursuant to this Agreement and any applicable Implementing Arrangements to a third party.

ARTICLE IV
TERMS AND CONDITIONS

1. Each Party shall make its best efforts, consistent with national priorities, to satisfy requests from the other Party under this agreement for logistic support, supplies, and services, during peacetime and during periods of national emergency, international tension or active hostilities. When an implementing arrangement contains a stricter standard for satisfying such requests, it shall apply over this paragraph.
2. The transfer of logistic support, supplies and services between the Parties shall be accomplished by Orders issued and accepted under this Agreement and any applicable Implementing Arrangement.
3. An Order may be issued against this Agreement alone without an Implementing Arrangement only in those cases set forth in Annex A.
4. Implementing Arrangements may be negotiated on the part of the United States by U.S. Unified Commands. As this Agreement is not limited for use within USEUCOM's area of responsibility (AOR), the USEUCOM Implementing Arrangement will include procedures for use of this Agreement with U.S. Unified Commands other than USEUCOM. USEUCOM shall be notified of all Orders made pursuant to this Agreement.
5. Whether the transfer is accomplished by an Order under this Agreement alone or in conjunction with an Implementing Arrangement, the documents taken together must set forth all necessary details, terms, and conditions to carry out the transfer including the data elements in Annex B.
6. The Parties shall endeavor to adopt a standard Order form. An Implementing Arrangement shall generally identify those personnel authorized to issue and accept Orders. The Parties shall notify each other of specific authorizations or limitations on those personnel able to issue or accept Orders directly under this Agreement or under an Implementing Arrangement when the Implementing Arrangement does not state this information. In the case of the United States, these notifications shall go directly to the Component Command concerned. In the case of Israel, these notifications shall go to the designated MOD/Israel Defense Forces (IDF) point of contact.
7. In all transactions involving the transfer of logistic support, supplies and services, the receiving Party agrees that such logistic support, supplies and services shall not be retransferred, either temporarily or permanently, without prior written consent of the supplying Party.

ARTICLE V
REIMBURSEMENT

1. For any logistic support, supplies and services transactions, the Parties shall negotiate for payment either in cash in U.S. dollars (a "reimbursable transaction") or in equal value to be defined in monetary terms only (an "exchange transaction"). The Parties will agree in advance, when placing an Order, on the method of reimbursement to be used in the transaction. The receiving Party shall pay the supplying Party under the conditions set out in either paragraph 1a. or paragraph 1b. of this Article.

a. Reimbursable transaction. The supplying Party shall submit Invoices to the receiving Party after delivery or performance of the logistic support, supplies and services. Both Parties shall maintain records of all transactions, and each Party shall provide for the payment of outstanding accounts not less frequently than every twelve months. Invoices prepared by the supplying Party shall be accompanied by support documentation and paid within 60 days from the date received. In pricing a reimbursable transaction, the Parties agree to the following reciprocal pricing principles:

(1) In the case of specific acquisition by the supplying Party from its contractors for a receiving Party, the price shall be no less favorable than the price charged the armed forces by the contractor of the supplying Party for identical items or services, less any amounts excluded by Article VI of this Agreement. The price charged may take into account differentials due to delivery schedules, points of delivery, and other similar considerations.

(2) In the case of transfer from the supplying Party's own resources, the supplying Party shall charge the same price it charges its own forces for identical logistic support, supplies and services, as of the date the Order is accepted, less any amounts excluded by Article VI of this Agreement. In any case where a price has not been established or charges are not made for one's own forces, the Parties should agree on a price in advance, excluding charges that are precluded under these reciprocal pricing principles.

b. Exchange transaction. Both Parties shall maintain records of all transactions. The receiving Party shall pay by transferring to the supplying Party logistic support, supplies and services that are agreed between the Parties to be of equal monetary value to the logistic support, supplies and services delivered or performed by the supplying Party. If the receiving Party does not complete the exchange within the terms of a replacement schedule agreed to or in effect at the time of the original transaction, within time frames which may not exceed one (1) year from the date of the original transaction, the transaction shall be deemed reimbursable and governed by paragraph 1a above, except that the price shall be established using actual or

estimated prices in effect on the date payment would otherwise have been due. Exchange transactions may be by replacement-in-kind (RIK) or equal-value-exchange (EVE).

2. When a definitive price for the Order is not agreed upon in advance, the Order, pending agreement on final price, shall set forth a maximum limitation of liability for the Party ordering the logistic support, supplies and services. The Parties shall then cooperate to establish the final price.

3. The Invoice shall contain an identification of the applicable Implementing Arrangement or in the absence thereof, refer to this Agreement and shall be in the format set forth by the supplying organization. The Invoice shall be accompanied by support documentation.

4. The Parties agree to grant each other access to documentation and information sufficient to verify, when applicable, that reciprocal pricing principles have been followed and prices do not include waived or excluded costs. Points of contact will be identified on each Implementing Arrangement to validate expenses or research charges on an as-required basis.

5. No provision in this Agreement shall serve as a basis for an increased charge for logistic support, supplies and services, if such logistic support, supplies and services would be available without charge or for a lesser charge under the terms of another agreement.

ARTICLE VI WAIVED OR EXCLUDED COSTS

The provisions of any tax and customs relief agreements applicable to the acquisition of materials, services, supplies, and equipment by the receiving Party shall apply to logistic support, supplies and services transferred under this Agreement. The Parties shall cooperate to provide proper documentation to maximize tax relief. In the case where taxes or customs duties for which a receiving Party would ordinarily have an exemption have already been paid by the supplying Party and cannot be recovered, the supplying Party shall advise the receiving Party prior to agreeing to the transaction. In such a case the receiving Party may, if practicable, replace the supplies as an exchange transaction in lieu of reimbursement for the supplies. If exchange is not practicable, the price paid by the receiving Party shall include only those taxes or customs duties not recoverable by the supplying Party.

ARTICLE VII
INTERPRETATION AND REVISION

1. Any disagreements regarding the interpretation or application of this Agreement, or any implementing arrangements or transactions executed thereunder, shall be resolved through consultation between the Parties and shall not be referred to any international tribunal or third party for settlement.
2. Either Party may, at any time, request revision of this Agreement by giving the other Party 90 days' advance written notice. In the event such a request is made, the two Parties shall promptly enter into negotiations. This Agreement may only be amended by written agreement between the Parties.
3. The provisions of the U.S.- Israel Security Classification Agreement signed on 10 December 1982 shall apply to the implementation of this Agreement, including information and material provided or generated pursuant thereto.

ARTICLE VIII
EFFECTIVE DATE AND TERMINATION

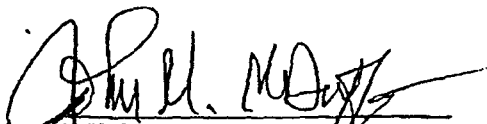
1. This Agreement, which consists of a Preamble, Articles I-VIII, and Annexes A and B, shall become effective on the date of the last signature affixed below and shall remain in force until terminated in writing by the Parties, provided that it may be terminated by either Party upon 180 day written notice of its intention to do so to the other Party.
2. Any transaction, Orders or requests for support executed or partially executed prior to the termination of this Agreement will remain binding.

IN WITNESS WHEREOF, the undersigned, being duly authorized by their respective governments, have signed this agreement.


DONE, in duplicate, in the English language.

**FOR THE DEPARTMENT OF DEFENSE
OF THE UNITED STATES**

**FOR THE ISRAEL MINISTRY OF
DEFENSE**



JOHN M. McDUFFIE
Major General, U.S. Army
Director of Logistics and
Security Assistance



Mr. Abraham Oren
Director, Mission to the U.S.
Government of Israel,
Ministry of Defense

at: Patch Barracks, Stuttgart,
Germany

at: The Pentagon, Washington, DC

on: 10 Feb 98

on: 9 February, 1998

ANNEX A

Pursuant to Article IV, paragraph 3, Orders or support requests may be issued against this Agreement alone in the following circumstances:

- a. Orders for logistic support, supplies and services placed during times of tension and active hostilities.
- b. Orders for logistic support, supplies and services urgently required and not covered by an Implementing Arrangement, provided the Parties to the transaction (or their designated representatives) agree.

ANNEX B

MINIMUM ESSENTIAL DATA ELEMENTS

- 1) Implementing Arrangements or support Agreement
- 2) Date of Order
- 3) Designation and address of office to be billed
- 4) Numerical listing of stock numbers of items, if any
- 5) Quantity and description of material/services requested
- 6) Quantity furnished
- 7) Unit of Measurement
- 8) Unit price in U.S. Dollars
- 9) Quantity furnished (6) multiplied by unit price (8)
- 10) Currency - U.S. Dollars
- 11) Total Order amount expressed in U.S. Dollars
- 12) Name (typed or printed), signature, and title of authorized Ordering or requisitioning representative
- 13) Payee to be designated on remittance
- 14) Designation and address of office to receive remittance
- 15) Recipient's signature acknowledging service or supplies received on the Order or requisition or a separate supplementary document
- 16) Document number of Order or requisition
- 17) Receiving organization

18) Issuing organization

19) Transaction type

20) Fund citation or certification of availability of funds when applicable under Parties' procedures

21) Date and place of original transfer; in the case of an exchange transaction, a replacement schedule including time and place of replacement transfer

22) Name, signature and title of authorized acceptance official

23) Additional special requirement, if any, such as transportation, packaging, etc.

24) Limitation of government liability

25) Name, signature, date and title of supplying Party official who actually issues supplies or services