

DEFENSE

Research and Development

**Memorandum of Understanding
Between the
UNITED STATES OF AMERICA
and OTHER GOVERNMENTS**

Signed November 3, 1998

with

Annex



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.”

MULTILATERAL

Defense: Research and Development

*Memorandum of understanding signed November 3, 1998;
Entered into force November 3, 1998.
With annex.*

MEMORANDUM OF UNDERSTANDING
AMONG THE
THE DEPARTMENT OF NATIONAL DEFENCE
OF CANADA
AND THE
SECRETARY OF STATE FOR DEFENCE
OF THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND
AND THE
DEPARTMENT OF DEFENSE
OF THE UNITED STATES OF AMERICA
CONCERNING
TRILATERAL TECHNOLOGY RESEARCH AND DEVELOPMENT PROJECTS

Dated 3 November 1998

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INTRODUCTION

The Department of National Defence of Canada (CA) , the Secretary of State for Defence of the United Kingdom of Great Britain and Northern Ireland (UK) and the Department of Defense of the United States of America (US), hereinafter referred to as the "Participants":

Having a common interest in defense;

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

Seeking to make the best use of their respective research and development capacities, eliminate unnecessary duplication of work and obtain the most efficient and cost-effective results through cooperation in Trilateral Technology Research and Development Projects (TTRDPs);

Recognizing the need to collectively develop emerging technologies to field technologically superior weapons;

The UK and US Participants recognizing the Agreement Concerning Defense Cooperation Arrangements of 27 May 1993 between the Government of the United States of America and the Government of the United Kingdom of Great Britain and Northern Ireland will apply to this Memorandum of Understanding (MOU);

Have entered into the following understandings:

SECTION I

DEFINITIONS

1.1 The Participants have decided upon the following definitions for terms used in this TTRDP MOU:

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.
Contracting Agency	The entity within the government organization of a Participant, which has authority to enter into, administer, and terminate contracts.
Contracting Officer	A person representing a Contracting Agency of a Participant who has the authority to enter into, administer, and terminate contracts.
Contractor	Any entity awarded a contract under a Project by a Participant's Contracting Agency.
Controlled Unclassified Information	Unclassified information to which access or distribution limitations have been applied in accordance with applicable national laws or regulations. Whether the information is provided or generated under an MOU, the information will be marked to identify its "in confidence" nature. It could include information which has been declassified, but remains controlled.
Defense Purposes	Manufacture or other use in any part of the world by or for the armed forces of any Participant.
Designated Security Authority (DSA)	The security office approved by national authorities to be responsible for the security aspects of this MOU.
Project	Specific collaborative activity to research and develop basic, exploratory or advanced technologies that are described in a Project Arrangement to this MOU.
Project Arrangement (PA)	An implementing arrangement, added after the TTRDP MOU has entered into effect which specifically details the arrangements for collaboration on a specific Project.

**Project
Background
Information**

Information not generated in the performance of a Project.

**Project
Equipment**

Any materiel, equipment, end item, subsystem, component, special tooling or test equipment jointly acquired or provided for use in a Project.

**Project
Foreground
Information**

Project Information generated in the performance of a Project.

**Project
Information**

Any information provided to, generated in, or used in a Project regardless of form or type.

**Project
Invention**

Any invention or discovery formulated or made, either conceived or first actually reduced to practice in the course of work performed under a Project. 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.

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.

SECTION II

OBJECTIVE

2.1 The objective of this Memorandum of Understanding (MOU) is to define and establish the general principles which will apply to the initiation, conduct, and management of Projects established by separate Trilateral Technology Research and Development Project (TTRDP) Project Arrangements (PAs) entered into by representatives of all three Participants authorized in accordance with this MOU and respective national procedures.

2.2 The provisions of this MOU are incorporated by reference in each PA. Detailed provisions of each PA will be consistent with this MOU and will include, as a minimum, provisions concerning the objectives, scope of work, management structure, sharing of tasks, financial arrangements, contractual arrangements (if required), security classification, responsibilities of the Participants, and other provisions as required, in accordance with the format attached as Annex A. In the event of a conflict between the provisions of this TTRDP MOU and any PA, the TTRDP MOU will govern.

SECTION III

SCOPE OF WORK

3.1 The scope of work for this MOU will encompass collaboration on research, exploratory development, and advanced development of technologies whose maturation may lead to the development of technologically superior conventional weapon systems. PAs may range from conceptual studies to technology demonstrators.

3.2 This MOU authorizes the exchange of information specifically for the purposes of information exchange; specifically for the purposes of harmonizing the Participants' respective TTRDP requirements and for formulating, developing and negotiating PAs.

3.3 No information relating to system specific prototypes, engineering and manufacturing development or production may be transferred under this MOU or its implementing PAs. System specific prototypes, engineering and manufacturing development or production programs which may evolve from collaboration under one or more PAs to this MOU are outside the scope of this MOU.

3.4 This MOU does not preclude entering into any other arrangements in the area of research and development on basic, exploratory and advanced technology.

SECTION IV

MANAGEMENT (ORGANIZATION AND RESPONSIBILITY)

4.1 The following, or equivalent in the event of reorganization, are designated as the TTRDP MOU Principals (MPs): the Chief Research and Development (CA TTRDP/MP); the Deputy Under Secretary of State (Science and Technology) (UK TTRDP/MP); and the Deputy Under Secretary of Defense (International and Commercial Programs) (US TTRDP/MP). The TTRDP/MPs will be responsible for:

4.1.1 implementing this MOU and exercising executive-level oversight;

4.1.2 monitoring overall use and effectiveness of the MOU; and

4.1.3 recommending amendments to this MOU to the Participants.

4.2 The following, or equivalent in the event of reorganization, are designated as TTRDP Executive Agents (TTRDP/EAs): the Chief Research and Development (CA TTRDP/EA); the Director General (Research and Technology) (UK TTRDP/EA); and the appropriate US Service Acquisition Executive or Defense Agency Director (US TTRDP/EA) for those projects within their respective Military Service or Defense Agency.. The TTRDP/EAs will be responsible for

4.2.1 signing appropriate PAs in accordance with this MOU and national policies and procedures;

4.2.2 establishing an appropriate management structure for each PA considering its scope and the requirement for a Steering Committee (SC);

4.2.3 appointing SC members when deemed necessary, and Project Officers (POs);

4.2.4 giving administrative direction to appropriate SCs, if established, or POs appointed in each PA.

4.3 The SC, if established, will be responsible for:

4.3.1 providing policy and management direction to the POs during PA execution;

4.3.2 monitoring overall implementation, including technical, cost, and schedule performance against requirements; and

4.3.3 reporting status and activity of assigned PAs on an annual basis to the TTRDP/EAs and TTRDP/MPs.

4.4 The POs will have primary responsibilities for effective implementation, efficient management and direction of their assigned PA including technical, cost, and schedule performance against requirements. Additionally, the POs will be responsible for paragraph 4.3.3 above when no SC is established for their assigned PA.

4.5 The TTRDP/EAs, SCs and POs will meet as required, rotating meetings among the United States, Canada and the United Kingdom. The Chairman for each meeting will be the senior official of the host nation. During such meetings, all decisions require unanimity, each Participant having one vote.

SECTION V

FINANCIAL ARRANGEMENTS

5.1 Each Participant will contribute its equitable share of the full financial costs and non-financial costs incurred in performing, managing, and administering its responsibilities under this MOU and each PA, including overhead costs, administrative costs, and costs of claims, and each Participant will receive an equitable share of the results. The tasks to be performed by each Participant will be established in each PA. The assignment of tasks will represent an equitable sharing of the costs of work to be performed under the PA.

5.2 Any responsibilities of the Participants under this MOU that require the expenditure of funds will be subject to the availability of appropriated funds for such purposes. Each Participant will promptly notify the other Participants if available funds are not adequate to fulfill its financial responsibilities under this MOU or its PAs, and will immediately consult on the course of action to be taken with a view toward continuation on a changed or reduced basis.

5.3 This MOU in and of itself creates no financial or non-financial responsibilities regarding individual PAs; however, detailed descriptions of the financial arrangements for a specific Project, including, at a minimum, the total cost of the Project and each Participant's share, will be contained in the PA.

5.4 The Participants will endeavor to perform, or have performed, work specified in each PA within the costs specified in each PA.

5.5 Each Participant will bear the full costs it incurs for performing, managing, and administering its activities under this MOU and participation in each PA, including its share of the costs of any contract under the auspices of paragraph 5.7 below.

5.6 The following costs will be borne entirely by the Participant incurring the costs:

5.6.1 Costs associated with any unique national requirements identified by a Participant.

5.6.2 Any other costs outside the scope of this MOU and its PAs.

5.7 Under a PA, the Participants may decide that it is necessary for one Participant to incur contractual or other obligations for the benefit of all Participants. In the event one Participant incurs such obligations, the Participants will pay their equitable share of such obligations, make funds available in such amounts and at such times as may be required by the obligations, or pay any damages and costs that may accrue from the performance of or cancellation of the obligation in advance of the time such payments, damages, or costs are due.

5.8 For each PA, the POs will be responsible for establishing the detailed financial management procedures under which the Project will operate. These procedures will be detailed in a financial management policies and procedures document proposed by the POs and subject to the approval of the TTRDP EAs or SC, as appropriate.

5.9 Each Participant will provide funds for each Project in accordance with the estimated schedule of financial contributions contained in the financial management policies and procedures document.

5.10 Each Participant will be responsible for the audit of the procurement activities for which it is responsible pursuant to a PA in accordance with its own national practices. Each Participant's reports of such audits will be promptly made available to the other Participants. For PAs where funds are transferred from one Participant to another Participant, the receiving Participant will be responsible for the internal audit regarding administration of the other Participants' funds in accordance with national practices. Audit reports of such funds will be promptly made available by the receiving Participant to the other Participants.

SECTION VI

CONTRACTUAL ARRANGEMENTS

6.1 If a Participant determines that contracting is necessary to fulfill that Participant's responsibilities under a PA, that Participant will contract in accordance with its respective national laws, regulations and procedures.

6.2 When one Participant individually contracts to undertake a task under a PA, it will be solely responsible for its own contracting, and the other Participants will not be subject to any liability arising from such contracts without their prior written consent.

6.3 If the Participants determine that it is necessary under a PA that one Participant contract on behalf of all Participants for tasks under that TTRDP PA, the Participant will contract in accordance with its respective national laws, regulations and procedures. Such contractual arrangements will be detailed in the particular PA. Sources from all Participants' industries will be allowed to compete on an equal basis for such contracts. The Contracting Officer will be the exclusive source for providing contractual direction and instructions to Contractors. The POs will be responsible for the coordination of activities relating to this MOU and its PAs and will cooperate with the Contracting Officer in the areas of contract procedures, contract negotiation, evaluation of offers, and contract award. The Contracting Officer will also keep the POs advised of all financial arrangements with Contractors.

6.4 For all contracting activities performed by the Participants, the POs will, upon request, provide a copy of all statements of work for information prior to the issuance of solicitations.

6.5 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 Project Information). Each Participant's Contracting Agency will insert into its prospective contracts (and require its contractors to insert in subcontracts) suitable terms and conditions to satisfy the requirements of this MOU, including Section VII (Project Equipment), Section VIII (Disclosure and Use of Project Information), Section IX (Controlled Information), Section XI (Security) and Section XII (Third Party Sales and Transfers and Alternative Uses) of this MOU. During the contracting process, each Participant's Contracting Officer will advise prospective Contractors of their obligation to notify the Contracting Agency immediately if they are subject to any license, agreement, or arrangement that will restrict that Participant's freedom to disclose information or permit its use. The Contracting Officer will also advise prospective Contractors to employ their best efforts not to enter into any new agreement or arrangement that will result in restrictions.

6.6 In the event a Participant's Contracting Agency is unable to secure adequate rights to use and disclose Project Information as required by Section VIII (Disclosure and Use of Project Information), or is notified by Contractors or potential Contractors of any restrictions on the disclosure and use of information, that Participant's PO will notify the other Participant's PO of the restriction(s).

6.7 Each Participant's PO will promptly advise the other Participant's PO of any schedule delay or other performance problems of any contractor in connection with a contract placed by its Contracting Agency pursuant to a PA.

6.8 Normal contract administrative services support will be provided in accordance with applicable bilateral arrangements between the Participants concerned. Should price or cost investigation services be required, such services will be obtained through the responsible national authorities of the Participant within whose territory the performing contractor or sub-contractor is located, consistent with any existing arrangements between the Participants in that regard.

6.9 No requirement will be imposed by a Participant for work sharing or other industrial or commercial compensation in connection with this MOU and any PA that is not in accordance with this MOU.

SECTION VII

PROJECT EQUIPMENT

7.1 For the purpose of carrying out a PA, each Participant may loan without charge to the other Participant(s) such Project Equipment identified in the PA as being necessary for the corresponding Project. While such loans will be based on the principle of reciprocity, exact item for item exchanges are not required.

7.2 Project Equipment loaned will be used by the receiving Participant(s) only for the purposes of that Project. Project Equipment will remain the property of the providing Participant. In addition, the receiving Participant(s) will maintain Project Equipment in good order, repair, and operable condition and will return it in operable condition and in as good condition as received, normal wear and tear excepted, unless the providing Participant has approved in the PA the expenditure or consumption of Project Equipment as necessary for the purposes of the PA. Such expenditure or consumption will be without reimbursement to the providing Participant. However, the receiving Participant(s) will bear the cost of any damage to (other than normal wear and tear) or loss of Project Equipment loaned to it that is not approved for expenditure or consumption. In no event will such cost exceed replacement cost less an amount determined to represent reasonable wear and tear.

7.3 A PA will provide specific details of any loan of Project Equipment. Project Equipment identified at the time of PA signature will be detailed in the PA as set out in Annex A. Project Equipment which cannot be identified at the time of PA signature will be documented in a list to be developed and maintained by the POs in the format at Annex A. Approval for all loans will be in accordance with national procedures.

7.4 The Participants will make every effort to ensure that the Project Equipment 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 Project Equipment for a particular purpose or use, and make no commitment to alter, improve, or adapt the Project Equipment or any part thereof.

7.5 The providing Participant will transfer the Project Equipment for the loan period indicated in the PA, unless extended by written amendment, provided that the duration may not exceed the effective period of the PA.

7.6 The providing Participant, at its expense, will deliver the Project Equipment to the receiving Participant(s) at the location(s) mutually approved by the POs. Responsibility for Project Equipment will pass from the providing Participant to the receiving Participant(s) at time of receipt. Any further transportation is the responsibility of the receiving Participant(s).

7.7 The providing Participants will furnish the receiving Participant(s) such information as is necessary to enable the Project Equipment to be used.

7.8 The receiving Participant(s) will inspect and inventory the Project Equipment upon receipt. The receiving Participant(s) will also inspect and inventory the Project Equipment prior to its return (unless the Project Equipment is to be expended or consumed.)

7.9 Upon expiration or termination of the loan period specified in the PA (taking into account any extension), the receiving Participant(s) will return Project Equipment at its expense to the providing Participant at the location mutually approved by the POs. Any further transportation is the responsibility of the providing Participant.

7.10 The receiving Participant(s) will provide written notice of consumption or expenditure of Project Equipment. In the event the intended consumption or expenditure does not occur, the receiving Participant(s) will, unless otherwise determined by the providing Participant, return the Project Equipment to the providing Participant to the location mutually approved by the POs. Any further transportation is the responsibility of the providing Participant.

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

7.12 Any Project Equipment which is jointly acquired on behalf of all the Participants for use under this MOU and any PA will be disposed of as mutually approved by the appropriate Participants during the applicable Project or when the Project ends as decided by the SC. If no SC has been appointed, this decision will be jointly taken by the POs.

7.13. Disposal of jointly acquired Project Equipment may include a transfer of the interest of the Participants in such Project Equipment to one Participant, or the sale of such Project Equipment to a Third Party in accordance with Section XII (Third Party Sales and Transfers and Alternate Uses). The Participants will share the consideration from jointly acquired Project Equipment transferred or sold to a Third Party in the same ratio as costs are shared under this MOU and the PA.

SECTION VIII

DISCLOSURE AND USE OF PROJECT INFORMATION

8.1 General

8.1.1 The Participants recognize that successful collaboration depends on full and prompt exchange of information necessary to carry out each PA and the use of its results. The nature and amount of Project Information to be acquired will be in accordance with Section II (Objective), Section VI (Contractual Arrangements) and the PAs to this MOU. Subject to the intellectual property rights the Participants are accorded under this MOU, title to Project Foreground Information generated by a Participant or its contractor will reside in that Participant and/or its contractors, in accordance with that Participant's national laws, regulations and policies.

8.2 Project Foreground Information

8.2.1 Disclosure: Project Foreground Information will be made available to each Participant without charge.

8.2.2 Use: Each Participant may use or have used Project Foreground Information without charge only for its Defense Purposes; use for any other purpose will be subject to the prior written consent of the other Participants. The sale or other transfer of Project Foreground Information is subject to the provisions of Section XII (Third Party Sales and Transfers and Alternative Uses) of this MOU. The Participants will acquire the legal rights to use Project Foreground Information generated by Contractors in any Third Party sale or transfer.

8.3 Project Background Information

8.3.1 Disclosure: Each Participant, upon request, will disclose to the other Participants for the purposes of a PA, any relevant Project Background Information provided that:

8.3.1.1 Such Project Background Information is necessary to or useful in the PA. The Participant in possession of the information will determine whether it is "necessary to" or "useful in" the PA.

8.3.1.2 Such Project Background Information may be made available without incurring liability to holders of proprietary rights.

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

8.3.2 Use: A Participant may use or have used, without charge, Project Background Information disclosed by the other Participants only for the purposes of a PA. Where the use of Project Background Information is necessary to enable the use of Project Foreground Information, such Project Background Information may be used for Defense Purposes, unless the provisions of the relevant PA limit such use of the Project Background Information. Any use of Project Background Information other than as provided for in this paragraph will be subject to the prior written consent of the furnishing Participant.

8.4 Project Information subject to proprietary rights:

8.4.1 All unclassified Project Information subject to proprietary rights will be identified, marked and handled as Controlled Unclassified Information. All classified Project Information subject to proprietary rights will be so identified and marked.

8.4.2 The provisions of the NATO Agreement on the Communication of Technical Information for Defence Purposes of 19 October 1970, and its Implementing Procedures of 1 January 1971, will apply to this MOU.

8.5 Patents:

8.5.1 Each Participant will include in its Contracts a provision governing the disposition of rights in regard to Project Inventions and patent rights relating thereto, which either;

8.5.1.1 Provides that the Participant will hold title to all Project Inventions together with the right to make patent application for the same, free of encumbrance from the Contractor, or

8.5.1.1.1 Provides that the Contractor will hold title (or may elect to retain title) for Project Inventions together with the right to make patent applications for the same, while securing for the Participant a license for the Project Inventions, and any patents therefore, on terms in compliance with the provisions of paragraph 8.5.1.2 below.

8.5.1.2 In the event that a Contractor holds title (or elects to retain title) for a Project Invention, the Contracting Participant will secure for the Participants non-exclusive, irrevocable, royalty-free licenses under all patents secured for that invention, to practice or have practiced the patented Project Invention for Defense Purposes throughout the world.

8.5.1.3 The provisions of sub-paragraphs 8.5.1.4 through 8.5.1.7 below will apply in regard to patent rights for all Project Inventions made by any Participants' 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.

8.5.1.4 Where a Participant has or can secure the right to file a patent application with regard to a Project Invention, that Participant will consult the other Participants regarding the filing of such patent application. The Participant having such rights will in other countries, file, cause to be filed, or provide the other Participants with the opportunity to file on behalf of the Participant holding such rights, or its contractors, as appropriate, patent applications covering any such Project Invention. If a Participant having filed or caused to be filed a patent application decides to stop prosecution of the application, that Participant will notify the other Participants of that decision and permit the other Participants to continue the prosecution.

8.5.1.5 Each Participant will be furnished with copies of patent applications filed and patents granted with regard to Project Inventions.

8.5.1.6 Each Participant will grant to the other Participants a non-exclusive, irrevocable, royalty-free license under its patents for Project Inventions, to practice or have practiced the patent Project Invention for Defence Purposes throughout the world.

8.5.1.7 Patent applications which contain Classified Information, to be filed under this TTRDP MOU, will be protected and safeguarded in accordance with the requirements contained in the NATO Agreement for the Mutual Safeguarding of Secrecy of Inventions Relating to Defence and for which Applications for Patents Have Been Made, signed on 21 September 1960, and its Implementing Procedures.

SECTION IX

CONTROLLED UNCLASSIFIED INFORMATION

9.1 Except as otherwise provided in this MOU or 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 for use of Project Information as specified in Section VIII (Disclosure and Use of Project Information).

9.1.2 Access to such information will be limited to personnel whose access is necessary for the permitted use under subparagraph 9.1.1 above, and will be subject to the provisions of Section XII (Third Party Sales and Transfers and Alternative Uses).

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. above, 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 provision, 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. The POs will decide, in advance and in writing, on markings to be placed on the Controlled Unclassified Information. The originating Participant will mark Controlled Unclassified Information provided to the other Participants with a legend indicating the country of origin, the conditions of release and the fact that it relates to this MOU and that it is supplied "in confidence" or the equivalent marking.

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.

SECTION X

VISITS TO ESTABLISHMENTS

10.1 Each Participant will permit visits to its Government establishments, agencies and laboratories, and Contractor industrial facilities by employees of the other Participants or by employees of the other Participants' Contractor(s), provided that the visit is authorized by the respective Participant and the employees have appropriate security clearances and a need-to-know.

10.2 All visiting personnel will be required to comply with security regulations of the host 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.

10.3 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 country. Requests for visits will cite this MOU and the appropriate PA as the basis for the request.

10.4 Lists of personnel of the Participants required to visit, on a continuing basis, facilities of the other Participants will be submitted through official channels in accordance with agreed recurring international visit procedures.

SECTION XI

SECURITY

11.1 All Classified Information or material provided or generated pursuant to this MOU and its PAs will be stored, handled, transmitted, and safeguarded in accordance with the Participants' national security laws and regulations to the extent that they provide a degree of protection no less stringent than that provided for NATO classified information as detailed in the document CM(55) 15 (Final), "Security Within the North Atlantic Treaty Organization," dated 10 October 1990 and subsequent amendments.

11.2 Classified Information and material will be transferred only through official government-to-government channels or through channels approved by the Designated Security Authorities (DSAs) of the Participants. Such Classified Information and material will bear the level of classification, denote the country of origin, the conditions of release, and the fact that the information relates to this MOU and the applicable PA.

11.3 Each Participant will take all lawful steps available to it to ensure that Classified Information provided or generated pursuant to this MOU and any of its PAs is protected from further disclosure, except as permitted by paragraph 11.8 below, unless the respective Participant consents to such disclosure. Accordingly, each Participant will ensure that:

11.3.1 The recipient will not release the Classified Information to any government, national, organization, or other entity of a Third Party without the prior written consent of the respective Participant in accordance with the procedures detailed in Section XII (Third Party Sales and Transfers and Alternative Uses);

11.3.2 The recipient will not use the Classified Information for other than the purposes provided for in this MOU; and

11.3.3 The recipient will comply with any distribution and access restrictions on information that is provided under the MOU.

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

11.4 When a PA contains provisions for the exchange of Classified Information, the POs will prepare a Project Security Instruction and a Classification Guide for each PA involving the transfer of Classified Information or material. The Project Security Instruction and the Classification Guide will describe the methods by which Project Information and material will be classified, marked, used, transmitted, and safeguarded.

The appropriate Instruction and Guide will be developed by the POs within three months after the PA enters into effect. They will be reviewed and forwarded to the appropriate DSAs and will be applicable to all government and Contractor personnel participating in the Project. Each Classification Guide will be subject to regular review and revision with the aim of downgrading the classification whenever this is appropriate. The Project Security Instruction and the Classification Guide will be approved by the appropriate DSAs prior to the transfer of any Classified or Controlled Unclassified Information.

11.5 The DSA of the country in which a classified contract is awarded pursuant to this MOU 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 DSAs will:

11.5.1 Ensure that such Contractor, prospective Contractor, or subcontractors and their facilities have the capability to protect the Classified Information adequately.

11.5.2 Grant a security clearance to the facilities, if appropriate.

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

11.5.4 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.

11.5.5 Carry out periodic security inspections of cleared facilities to ensure that the Classified Information is properly protected.

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

11.6 Contractors, prospective Contractors, or subcontractors which 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 and any of its PAs 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 respective Participant will be consulted for approval prior to permitting such access.

11.7 For any facility wherein Classified Information or material 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 or material pertaining to this MOU and any of its PAs. These officials will be responsible for limiting access to Classified Information or material involved in this MOU and any of its PAs to those persons who have been properly approved for access and have a need-to-know.

11.8 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 information in order to participate in this MOU and any of its PAs.

11.9 Information or material provided or generated pursuant to this MOU and any of its PAs may be classified as high as SECRET, unless a PA specifically authorizes a higher classification. The existence of this MOU is Unclassified and the contents are Unclassified. The classification of a specific PA and its content will be stated in the PA.

SECTION XII

THIRD PARTY SALES AND TRANSFERS AND ALTERNATIVE USES

12.1 Each Participant will retain the right to sell, transfer title to, disclose, or transfer possession of Project Foreground Information only if:

12.1.1 it is generated solely by either that Participant or that Participant's Contractors in the performance of that Participant's work allocation under a PA or Section III (Scope of Work); and

12.1.2 it does not include any Program Foreground Information or Program Background Information of the other Participants and whose generation, test or evaluation has not relied on the use of Program Equipment of the other Participants.

12.2 In the event questions arise whether the Project Foreground Information (or any item produced either wholly or in part from the Project Foreground Information) that a Participant intends to sell, transfer title to, disclose, or transfer possession of to a Third Party is within the scope of 12.1.1. above, the matter will be brought to the immediate attention of the other Participants' POs. The Participants will resolve the matter prior to any sale or other transfer of such Project Foreground Information (or any item produced either wholly or in part from the Project Foreground Information) to a Third Party.

12.3 Except to the extent permitted in paragraph 12.1 above, the Participant(s) will not sell, transfer title to, disclose, or transfer possession of Project Foreground Information to any Third Party without the prior written consent of the other Participant(s). Furthermore, a Participant will not permit any such sale, disclosure, or transfer, including by the owner of the item, without the prior written consent of the other respective Participant(s). Such consent will not be given unless the government of the intended recipient agrees in writing with the other Participants that it will;

12.3.1 not retransfer, or permit the further retransfer of, any equipment or information provided; and

12.3.2 use, or permit the use of, the equipment or information provided only for the purposes specified by the other Participants.

12.4 A Participant will not sell, transfer title to, disclose, or transfer possession of Project Equipment or Project Background Information provided by another Participant to any Third Party without the prior written consent of the Participant which provided such equipment or information. The providing Participant will be solely responsible for authorizing such transfers and, as applicable, specifying the method and conditions for implementing such transfers.

12.5 Consent for Third Party sales and transfers of Project Foreground Information will not be withheld except for reasons of foreign policy, national security, or national laws. No Participant will refuse approval of a sale or transfer to a Third Party when it would be willing to sell or transfer such information to the same Third Party.

SECTION XIII

LIABILITY AND CLAIMS

13.1 Claims against any Participant or their personnel will be dealt with in accordance with the terms of Article VIII of the NATO Status of Forces Agreement (NATO SOFA), dated 19 June 1951. Civilian employees of the Participants assigned to duty within their government's Defense Department or Ministry will be deemed for the purpose of Article VIII of the NATO SOFA to be members of a civilian component within the meaning of Article I of the NATO SOFA while present in the territory of another Participant for the purposes of this MOU and its PAs. However, claims for loss or damage to Project Equipment loaned under Section VII (Project Equipment) and PAs will be dealt with in accordance with Section VII, paragraph 7.2.

13.2 Claims arising under or related to any contract awarded pursuant to Article VI (Contractual Arrangements) will be resolved in accordance with the provisions of the contract.

13.3 Employees and agents of Contractors will not be considered to be civilian personnel employed by a Participant for the purpose of paragraph 13.1.

13.4 In case of damage to or by jointly acquired Project Equipment under a PA, where the cost of making good such damage is not recoverable from other persons, such cost will be borne by the Participants according to the cost sharing arrangements in that PA.

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 each PA.

14.2 Each Participant will use its best efforts to ensure that customs duties, import and export taxes, and similar charges are waived or otherwise 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.

SECTION XV

SETTLEMENT OF DISPUTES

15.1 All activities of the Participants under this MOU and its PAs will be carried out in accordance with their national laws. Disputes arising under or relating to this MOU or its PAs will be resolved only by consultation between the Participants and will not be referred to an individual, any national or international tribunal, or to any other forum for settlement.

15.2 In the event of a conflict between the provisions of this MOU and any PA, this MOU will take precedence.

SECTION XVI

AMENDMENT, TERMINATION, ENTRY INTO EFFECT AND DURATION

Amendment

16.1. This MOU may be amended only by the written approval of the Participants. Any of the PAs under this MOU may be amended only by the written approval of the Participants' TTRDP Executive Agents.

Termination

16.2. This MOU and any of its PAs may be terminated at any time upon the written approval of the Participants. In the event the Participants decide to terminate this MOU or any PA, the Participants will consult prior to the date of termination to ensure termination on the most economical and equitable terms.

16.3. In the event that the MOU or any of its PAs is terminated the following will apply:

16.3.1 the terminating Participant will continue participation, financial or otherwise, up to the effective date of termination of its participation;

16.3.2 each Participant will pay any costs it incurs as a result of termination, with the exception of costs related to a contract which will be shared in accordance with the cost sharing arrangements in the PA;

16.3.3 all Project Information and rights therein received under the provisions of this MOU and any of its PAs prior to the termination of participation will be retained by the terminating Participant, subject to the provisions of this MOU;

16.3.4 each Participant will make available to the other Participants all Project Foreground Information generated and delivered to it prior to termination of participation, and which has not been provided to the other Participants prior to the termination of participation; and

16.3.5 if requested by the other Participants, the terminating Participant may continue to administer Project contract(s), which it awarded on behalf of all the Participants, on a reimbursable basis.

Withdrawal

16.4. A Participant may withdraw from any PA established under this MOU upon 90 days written notice to the other Participants. Such notice will be the subject of immediate consultation by the other Participants to decide whether to proceed on a changed or reduced basis. In the event of such a withdrawal, the following will apply:

16.4.1 the withdrawing Participant will continue participation, financial or otherwise, up to effective date of its withdrawal;

16.4.2 each Participant will pay the costs it incurs as a result of withdrawal, with the exception of costs related to a contract which will be shared in accordance with the cost sharing arrangements in the PA;

16.4.3 all Project Information and rights therein received under the provisions of this MOU and any of its PAs prior to the withdrawal of a Participant will be retained by the withdrawing Participant subject to the provisions of this MOU;

16.4.4 the remaining Participants will make available to the withdrawing Participant their Project Foreground Information generated and delivered under the PA from which the withdrawing Participant has withdrawn and which have not already been provided. No further rights will accrue to the withdrawing Participant; and

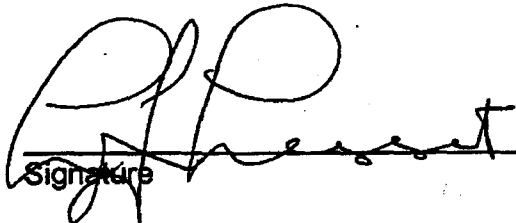
16.4.5 if requested by the other Participants the withdrawing Participant may continue to administer Project contracts which it awarded on behalf of all the Participants in accordance with national laws and procedures.

16.5. The respective rights and responsibilities of the Participants regarding Section VII (Project Equipment), Section VIII (Disclosure and Use of Project Information), Section IX (Controlled Unclassified Information), Section XI (Security), Section XII (Third Party Sales and Transfers and Alternative Uses), Section XIII (Liability), and Section XV (Settlement of Disputes) will continue notwithstanding termination, expiration or withdrawal from this MOU or any of its PAs.

16.6. This TTRDP MOU, which consists of the Introduction, sixteen (16) Sections and one Annex, will enter into effect upon signature by all Participants, and unless terminated or extended, will remain in effect for 25 years. PAs will enter into effect upon signature by the Participants. All PAs will automatically terminate upon the termination or expiration of this MOU.

The foregoing represents the understanding reached between the Department of National Defence of Canada, the Secretary of State for Defence of the United Kingdom of Great Britain and Northern Ireland, and the Secretary of Defense on behalf of the Department of Defense of the United States of America.
SIGNED in triplicate.

FOR THE DEPARTMENT OF
NATIONAL DEFENCE OF CANADA:



Signature

L.J. Leggat
Name

Chief Research and Development
Title

3 November 1998
Date

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



Signature

Graham H.B. Jordan
Name

Deputy Under Secretary
(Science & Technology)
Title

3 November 1998
Date

FOR THE DEPARTMENT OF DEFENSE
OF THE UNITED STATES OF AMERICA:


Signature

Delores M. Etter
Name

Deputy Under Secretary of Defense
(Science & Technology)
Title

3 November 1998
Date

ANNEX A TO THE
CA-UK-US TRILATERAL TECHNOLOGY RESEARCH AND DEVELOPMENT PROJECTS
MEMORANDUM OF UNDERSTANDING
DATED MM/DD/YR

****SAMPLE PROJECT ARRANGEMENT****

(Insert title of Project)

PROJECT ARRANGEMENT NO. _____

PURSUANT TO THE
CA-UK-US TRILATERAL TECHNOLOGY RESEARCH AND DEVELOPMENT
PROJECTS (TTRDP MOU)

AMONG

THE DEPARTMENT OF NATIONAL DEFENCE OF CANADA

AND THE

SECRETARY OF STATE FOR DEFENCE

OF THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND

AND THE

THE DEPARTMENT OF DEFENSE OF THE UNITED STATES OF AMERICA

DATED XXXXXX 98

Project Arrangement Numbers will be structured as follows:

CA-UK-US-XX-NN-nnnn where XX is a U.S. Military Service or Defense Agency designator such as A for Army, D for Department of Defense, N for Navy, AF for Air Force; NN is the calendar year, and nnnn is a sequential number.

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VIII	FINANCIAL ARRANGEMENTS
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X	LEVEL OF CLASSIFICATION
XI	PRINCIPAL ORGANIZATIONS INVOLVED
XII	LOAN OF PROJECT EQUIPMENT
XIII	ENTRY INTO EFFECT, DURATION AND TERMINATION

Note: Number paragraphs sequentially, i.e., 1.1, 1.2, etc.

SECTION I

INTRODUCTION

This Project Arrangement (PA) is entered into pursuant to the Memorandum of Understanding among the Department of National Defence of Canada, the Secretary of State for Defence of the United Kingdom of Great Britain and Northern Ireland and the Department of Defense of the United States of America, the concerning Technology Research and Development Projects of mm/dd/yy, the provisions of which are hereby incorporated by reference.

SECTION II

DEFINITION OF TERMS AND ABBREVIATIONS

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

SECTION III

OBJECTIVES

The objectives of this _____ Project are:

a. the development of

b. the improvement of

c. the investigation of

SECTION IV

SCOPE OF WORK

The following work will be carried out under this PA.

a. Research

b. Develop

c. Evaluate

d. Design, fabricate and test _____

SECTION V

SHARING OF TASKS

The sharing of tasks will be as follows:

a. CA will _____

b. The UK will _____

c. The US will _____

d. The Participants will jointly _____

SECTION VI

BREAK DOWN AND SCHEDULE OF TASKS (OPTIONAL)

(When the tasks covered under this Project may be performed using multiple phases, requiring milestones or decision points)

The Project will proceed according to the following phases and schedule:

Phase I	Start	End
Description of Phase 1	MM/YY	MM/YY

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

Phase 2	Start	End
Description of Phase 2	MM/YY	MM/YY

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

Phase 3
Description of Phase 3

Start
MM/YY

End
MM/YY

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

(Add as many phases as necessary)

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

SECTION VII

MANAGEMENT

(It is anticipated that most Projects will not need the establishment of a Steering Committee; however, for such instances where a SC is deemed to be required, the following provides for the designation of SC members)

The following, or equivalent in the event of reorganization, are designated as Steering Committee Representatives:

CA Co-Chair-person

Title/Position _____

Organization _____

Address _____

UK Co-Chair-person

Title/Position _____

Organization _____

Address _____

US Co-Chair-person

Title/Position _____

Organization _____

Address _____

2. The following, or equivalent in the event of reorganization, are designated as Project Officers:

CA PO

Title/Position _____

Organization _____

Address _____

UK PO

Title/Position _____

Organization _____

Address _____

US PO

Title/Position _____

Organization _____

Address _____

3. Particular Management Procedures:

(Mention only those additional management responsibilities not covered under Section IV of the TTRDP MOU)

SECTION VIII

FINANCIAL ARRANGEMENTS

The Participants estimate that the cost of performance of the work under this PA will not exceed \$_____.

The CA tasks will not cost more than X CA\$:

The UK tasks will not cost more than Y UK £:

The US tasks will not cost more than Z US\$:

Cooperative efforts of the Participants over and above the jointly determined tasks detailed in the SCOPE OF WORK and SHARING OF TASKS and FINANCIAL ARRANGEMENTS Sections will be subject to amendment to this PA or signature of a new PA.

SECTION IX

SPECIAL ARRANGEMENTS

(Optional — include any special contractual, intellectual property rights or other provisions relevant to the specific PA)

SECTION X

LEVEL OF CLASSIFICATION

Only one of the three following possibilities must be selected:

- a. No Classified Information will be exchanged under this PA;
- b. The highest level of Classified Information which may be exchanged under this PA is Confidential.
- c. The highest level of Classified Information which may be exchanged under this PA is Secret.

The existence of this PA is (unclassified)* and the contents are (unclassified)*.

*Revise where appropriate.

SECTION XI

PRINCIPAL ORGANIZATIONS INVOLVED

(List the government laboratories, research centers, etc. for the CA, UK and the US including full postal address.)

SECTION XII

LOAN OF PROJECT EQUIPMENT (OPTIONAL)

1. The loan of the following Project Equipment is necessary for executing this PA.

Providing Participant(s)	Receiving Participant(s)	Qty	Description	Part/ Stock #	Consumables/ Non- Consumables	Approx Loan Value	Loan Period
-----------------------------	-----------------------------	-----	-------------	------------------	-------------------------------------	----------------------	----------------

(fill in as appropriate)

Alternate Paragraph 1:

1. Project Equipment to be loaned will be listed in a supplement to this PA in the following format.

Providing Participant(s)	Receiving Participant(s)	Qty	Description	Part/ Stock #	Consumables/ Non- Consumables	Approx Loan Value	Loan Period
-----------------------------	-----------------------------	-----	-------------	------------------	-------------------------------------	----------------------	----------------

The supplement will be prepared by the POs for signature by the SC or TTRDP/EA if no SC, after appropriate national approvals have been obtained. The supplement will be an integral part of this PA.

2. The providing Participant will loan the Project Equipment for the loan period identified in paragraph 1 above. Or [which is intended to be consumed/expended and not returned to the providing Participant.] **

**If Alternate Paragraph 1 is used, change Paragraph 2 as follows: The providing Participant will loan the Project Equipment for the loan period identified in the supplement.

SECTION XIII

ENTRY INTO EFFECT, DURATION AND TERMINATION

This _____ PA, a Project under the TTRDP Memorandum of Understanding between the Department of National Defence of Canada, the Secretary of State for Defence of the United Kingdom of Great Britain and Northern Ireland and the Department of Defense of the United States of America, will enter into effect upon its signature, and will remain in effect for _____ years unless terminated by the Participants. It may be extended by written consent of the TTRDP MOU Executive Agents (EA):

For Canada

For United Kingdom

Signature

Signature

Name

Name

Title

Title

Date

Date

For the United States:

Signature

Name

Title

Date