DEFENSE

Joint Anti-Armor Weapon System (JAAWS) Project

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

Signed at Quantico and Abbey Wood
September 20 and October 1, 1999
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: Joint Anti-Armor Weapon
System (JAAWS) Project

Memorandum of understanding signed at
Quantico and Abbey Wood September 20 and October 1, 1999;
Entered into force October 1, 1999.
MEMORANDUM OF UNDERSTANDING

BETWEEN

THE SECRETARY OF DEFENSE ON BEHALF OF 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

FOR THE

JOINT ANTI-ARMOR WEAPON SYSTEM (JAAWS) PROJECT

(Short Title: JAAWS Framework MOU)
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INTRODUCTION

The Secretary of Defense on behalf of the Department of Defense (DOD) of the United States of America and the Secretary of State for Defence of the United Kingdom of Great Britain and Northern Ireland (MOD), hereinafter referred to as the "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 MOU;

Recognizing the Governments of the Participants have entered into the U.S./U.K. Memorandum of Understanding Relating to the Principles Governing Cooperation in Research and Development, Production, Procurement and Logistic Support of Defence Equipment of 13 December 1994 or any successor thereto;

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; and,

Having mutual needs for light-weight anti-tank weapon systems to satisfy common operational requirements and recognizing the efforts of the individual anti-armor programs in each Nation;

Have reached the following understandings:
SECTION I

DEFINITIONS

The Participants have jointly decided upon the following definitions for terms used in this Memorandum Of Understanding (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.

**Contract**

Any mutually binding legal relationship which obligates a Contractor to furnish supplies or services, 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 government organizations of the Participants. Contracting includes description of 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 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 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 this MOU, the information will be marked to identify its "in confidence" nature. It could include information which has been declassified, but remains controlled.
Joint Anti-Armor Weapon System (JAAWS) Project

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.

Financial Costs

Any Project costs that, due to their nature, will be paid using monetary contributions from the Participants.

Information

Any information regardless of form or type including, but not limited to, that of a scientific, technical, business or financial nature, and extending to reports, manuals, threat data, experimental data, test data, designs, specification, computer software and software documentation, processes, techniques, inventions, drawings, technical writings, sound recordings, pictorial representations including photographs, and other graphical representations, whether in magnetic tape, computer memory or any other form and whether or not subject to copyright, Patent, or other legal protection.

Joint Anti-Armor Weapon System (JAAWS) Project

A three-phased effort for cooperation in the development, production, support/disposal of a family of anti-armor weapons and supporting equipment based on the U.S. Predator (also referred to herein as the "Project").

Next generation Light anti-Armour Weapon project (NLAW)

The U.K. competitive programme to procure a light anti-armour weapon and supporting equipment (e.g., trainers and spares) to replace the current in-service U.K. LAW system, LAW 80.

Non-financial Costs

Any Project costs that, due to their nature, will be met using non-monetary contributions from the Participants.
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2.1. The Participants desire to establish a framework within this MOU that will enable timely and effective collaboration in the Joint Anti-Armor Weapon System (JAAWS) Project.

2.2. The objectives of the Project are to:

2.2.1. Facilitate MOD consideration during NLAW project definition and down-selection of an enhanced Predator to meet its NLAW system requirements.

2.2.2. Facilitate DOD consideration of NLAW project definition results within DOD Predator programs.

2.2.3. If an enhanced Predator is selected by the UK as its NLAW solution, establish a joint program to:

2.2.3.1. Maximize commonality and interoperability.

2.2.3.2. Reduce unit cost via cooperative production.

2.2.3.3. Conduct collaborative support and disposal activities.

2.2.3.4. Identify future product improvements.

2.3. The above objectives will be accomplished under Project Arrangements (PAs) which will address each of the following Phases: project definition (PD), full development and production (FD&P), initial support (IS), post design services (PDS), further support (FS), further PDS and disposal.

2.4. The PAs will be governed by the provisions of this MOU, known as the framework MOU. The PAs will be entered into in accordance with this MOU, and will incorporate, by reference, the provisions of this MOU. Each PA will include specific provisions, consistent with this MOU, concerning (but not limited to) the PA's objectives, scope, management, financial provisions, contracting provisions, use of Project Equipment, disclosure and use of Project Information, security, Third Party sales and transfers, liability and claims, and amendment, termination, coming into effect, and duration. In the case of a conflict between the provisions of this MOU and a PA, the MOU will govern.
However, a PA may contain specific provisions which deviate from the provisions of this MOU for the specific purposes of the PA, provided such deviations are identified.

2.5. It is the intent of the Participants to maximize commonality of weapon production through the Project. However, the Participants recognize that the DOD Predator program may continue in parallel with the JAAWS Project beyond the start of Phase II.
3.1. The overall work to be carried out under the Project will be conducted over three Phases and will encompass the following:

3.1.1. Under Phase I, the exchange of data, coordination of tests, and mutual witnessing of trials by the Participants during MOD NLAW project definition and down-selection and DOD Predator EMD.

3.1.2. Under Phase II, the development, test, production, and initial support including initial PDS of the enhanced weapons and associated equipment.

3.1.3. Under Phase III, further support including further PDS, and disposal, conducted jointly by the Participants after the system has reached in-service use.

3.2. The Participants also recognize that there may be additional MOD sponsored risk reduction activities during NLAW down-selection in order to bring forward the JAAWS in-service date.

3.3. To the degree the MOD requires DOD technical support, services, use of facilities, and other coordination activities in support of the MOD NLAW project definition and down-selection only, the MOD will reimburse the DOD for such expenses. This reimbursement will recognize and compensate DOD effort in a competitive environment.

3.4. The Participants recognize that participation in Phase II and Phase III is subject to the MOD selecting the DOD Predator to enter NLAW full development and production, initial support and PDS and the implementation of PAs for those phases.
SECTION IV

MANAGEMENT (ORGANIZATION AND RESPONSIBILITY)

4.1. A Framework MOU Steering Committee (SC) will be established, comprised of a senior representative of each Participant. The SC will facilitate full consultation between the Participants.

4.2. The SC will meet annually with additional meetings held at the request of either representative. The location of the SC meetings will alternate and each meeting will be chaired by the representative of the Participant hosting the meeting. 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 its higher authority for resolution.

4.3. The SC will be responsible for:

   4.3.1. Monitoring overall Project implementation, including Project execution, specifications, milestones, cost and financial requirements.

   4.3.2. Monitoring the financial status of the Project to ensure compliance with the provisions of Section V (Financial Provisions) of this MOU and the Financial Provisions of the Phase PAs.

   4.3.3. Reviewing and forwarding to the Participants for approval, recommended amendments to this MOU and any Phase PA in accordance with Section XVII (Amendment, Termination, Coming Into Effect, and Duration).

   4.3.4. Approving plans to manage and control the transfer of Project Equipment provided by either Participant.

   4.3.5. Approving plans for the disposal of jointly acquired Project Equipment.

   4.3.6. Maintaining oversight of the security aspects of the Project, including reviewing and obtaining approval from the appropriate Designated Security Authority of the Project Security Instruction and a Classification Guide (as detailed in Section XI)
(Security)) prior to any transfer of Classified Information or Controlled Unclassified Information.

4.3.7. Providing recommendations to the Participants for the addition of new Participants in accordance with Section XIV (Participation of Additional Nations).

4.3.8. Monitoring Third Party sales and transfers authorized in accordance with Section XII (Third Party Sales and Transfers).

4.4. Each Phase PA will contain provisions for the management structure and responsibilities specific to that PA.
SECTION V
FINANCIAL PROVISIONS

5.1. Each Participant will contribute its equitable share of the total Costs of the Project and will receive an equitable share of the results.

5.2. This framework MOU creates no financial responsibilities regarding individual Phase PAs. Each PA will establish the Financial and Non-financial contributions of the Participants regarding the Phase described therein, including the total estimated cost of the PA effort and each Participant’s share of the total estimated cost. The Participants will make funds available in such amounts and at such times as may be required for a specific Phase PA.

5.3. A Participant will promptly notify the other Participant if available funds are not adequate to fulfill its responsibilities under this MOU or its Phase PAs. If a Participant notifies the other Participant that it is terminating or reducing its funding for this Project, both Participants will immediately consult with a view toward continuation on a modified basis.

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

CONTRACTING PROVISIONS

6.1. Each Phase PA will detail each Participant’s responsibility for Contracting for the purposes of that PA. Each Participant will use its respective national Contracting procedures when contracting for the purposes of a Phase PA. When a Participant contracts for a Phase PA, that Participant’s Contracting Officer will be the exclusive source for providing contractual direction and instructions to Contractors.

6.2. When a Participant performs Contracting for the purposes of a Phase PA, that Participant’s Contracting Officer will insert into prospective and existing Contracts (and require its Contractors to insert in subcontracts) suitable terms and conditions to satisfy the requirements of this MOU including, Section VIII (Disclosure and Use of Project Information), Section IX (Controlled Unclassified Information), Section XI (Security) Section X (Visits to Establishments), and Section XII (Third Party Sales and Transfers), plus any corresponding Phase PA provisions concerning disclosure and use of Project Information, Controlled Unclassified Information, security, and Third Party sales and transfers. Each Participant’s Contracting Officer will negotiate to obtain the rights to use and disclose Project Information required by Section VIII (Disclosure and Use of Project Information). During the Contracting process, each Participant’s Contracting Officer will advise prospective Contractors of their responsibility to notify their respective Participant’s Contracting Agency immediately, before Contract award, if they are subject to any license or agreement that will restrict their freedom to disclose Project Information or permit its use. Each Participant’s 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.

6.3. In the event a Participant’s Contracting Officer is unable to secure adequate rights to disclose and use Project Information during the course of a Phase PA or is notified by Contractors or prospective Contractors of any restrictions on the rights to disclose and use such information that is not in accordance with this MOU or a relevant PA, the matter will be brought to the attention of the appropriate project manager (PM) of that Phase PA, who will raise the issue with the SC.
6.4. Each Participant's Contracting Officer will advise the appropriate PM of that Phase PA immediately of any anticipated or actual cost growth, schedule change, or performance problems in connection with a Contract placed by the Contracting Agency which he represents.

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

6.6. The goal of the Participants is that there should be an equitable work share for the Project, although no specific work share will be demanded. The Participants will consider any work sharing arrangements proposed by the JAAWS Contractor which represent value for money resulting from a reduced overall Project cost, a product of a higher technical merit, reduced procurement timescales or a combination of all three.
SECTION VII

PROJECT EQUIPMENT

7.1. Each Participant may provide Project Equipment identified as being necessary for executing a Phase PA under this MOU to the other Participant. The associated Phase PA will contain provisions concerning the management, use, testing, retention and disposal of such Project Equipment, including the requirement for development and maintenance of a list of all Project Equipment provided by one Participant to the other under the Phase PA.

7.2. Each Phase PA will address the management, use, testing, retention, and disposal of any Project Equipment which is jointly acquired on behalf of both Participants for use under a Phase PA, including the requirement for development and maintenance of a list of all jointly acquired Project Equipment.
SECTION VIII
DISCLOSURE AND USE OF PROJECT INFORMATION

8.1. Both Participants recognize that successful collaboration depends on full and prompt exchange of information necessary for carrying out each Phase PA. The Participants intend to acquire sufficient Project Information and rights to use such information to enable them to achieve the objectives of each Phase PA.

8.2. Each Phase PA will detail the arrangements for the disclosure and use of Project Information by the Participants in that Phase. As it is anticipated that there will be seamless transition between the individual Phase PAs, there will be no need for exchange of Project Information outside of the provisions of the applicable PA.

8.3. Proprietary Project Information

8.3.1. All Project Information subject to proprietary interests will be identified and marked, and it will be handled as Controlled Unclassified Information or as Classified Information if classified.

8.3.2. The provisions of the NATO Agreement on the Communication of Technical Information for Defence Purposes, done at Brussels on 19 October 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 1 January 1971, will apply to proprietary Project Information related to this MOU.

8.4. Patents

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

8.4.1.1 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

8.4.1.2 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 therefor, on terms in compliance with the provisions of paragraph 8.4.2 below.

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

8.4.3. Where a Participant owns title to a Project Invention, or has the right to receive title to a Project Invention, that Participant will consult with the other Participant regarding the filing of a Patent application for such Project Invention. The Participant which 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, or its Contractors, as appropriate, Patent applications covering that 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 Participant of that decision and permit the other Participant to continue the prosecution.

8.4.4. The other Participant will be furnished with copies of Patent applications filed and Patents granted with regard to Project Inventions.

8.4.5. The other Participant will acquire a non-exclusive, irrevocable, royalty-free license under all Patents secured for any project Invention, to practice or have practiced the patented project Invention for defense Purposes throughout the world.
8.4.6. Patent applications which contain Classified Information 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 Defense and for Which Applications for Patents Have Been Made, done in Paris on 21 September 1960, and its Implementing Procedures.

8.4.7. Each Participant will notify the other Participant of any Patent infringement claims made in its territory arising in the course of work performed under the Project. Insofar as possible, the other Participant will provide information available to it that may assist in defending the claim. Each Participant will be responsible for handling all Patent infringement claims made in its territory, and will consult with the other Participant during the handling, and prior to any settlement, of such claims. The Participants will, where it is in accordance with their national laws 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 a Patent issued by their respective countries.
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 for use of Project Information as specified in Section VIII (Disclosure and Use of Project Information) and any applicable PA provisions.

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. and will be subject to the provisions of Section XII (Third Party Sales and Transfers), and any applicable corresponding Phase PA provisions.

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 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 Participants will decide, in advance and in writing, on the markings to be placed on the Controlled Unclassified Information. The appropriate markings will be defined in the Project Security Instruction.

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.
10.1. 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 both Participants and the employees have any necessary and 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 bear the name of this MOU and, as applicable, the specific Phase PA associated with the visit.

10.4. Lists of personnel of each Participant required to visit, on a continuing basis, facilities of the other Participant 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 between the United Kingdom of Great Britain and Northern Ireland and the United States of America, of 14 April 1961, amended 5 July and 19 December 1983, and including the Industrial Security Annex thereto, of 18 April 1984, amended 23 April 1988.

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 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 as applicable, to the pertinent Phase PA. Each Participant will take steps to facilitate the transfer of such Classified Information and material in a timely manner.

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

11.3.1. The recipient will not release the Classified Information and material to any government, national, organization, or other entity of a 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), and any applicable corresponding Phase PA provisions.

11.3.2. The recipient will not use the Classified Information and material for other than the purposes provided for in this MOU, and any applicable corresponding Phase PA provisions.

11.3.3. The recipient will comply with any distribution and access restrictions on Classified Information and material that is provided 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 or material provided or generated pursuant to this MOU has been lost or disclosed to unauthorized persons. Each Participant will promptly and fully inform the other Participant of the details of any such occurrences, and of the final results of the investigation and of the corrective action taken to preclude recurrences.

11.5. The DSA of the country which awards a Contract requiring access to Classified Information will assume responsibility for administering within its territory security measures for the protection of that Classified Information, in accordance with its laws and regulations. Prior to the release to a Contractor, prospective Contractor, or subcontractors 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 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 information are informed of their responsibilities to protect the 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. The appropriate Project Manager (PM) will prepare a Project Security Instruction and a Classification Guide if required by the Phase PA. 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 Instruction and Guide will be developed by the appropriate PM within three months after a Phase PA comes into effect. They will be reviewed by the Steering Committee, forwarded to the appropriate DSA for publication, and will be applicable to all government and Contractor personnel participating in the Project. The Classification Guide will be subject to regular review and revision by the PM with the aim of downgrading the classification whenever this is appropriate.

11.7. 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 and material 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 and material. 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.

11.8. 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 Classified Information or material pertaining to this MOU. These officials will be responsible for limiting access to Classified Information or material involved in this MOU to those persons who have been properly approved for access and have a need-to-know.

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

11.10. Project Information or material provided or generated pursuant to this MOU may be classified as high as SECRET. The existence of this MOU is UNCLASSIFIED and the contents are UNCLASSIFIED.
12.1. Unless specifically modified in a Phase PA, the following provisions will apply to any proposed Third Party Sales or Transfers of Project Information and Project Equipment:

12.1.1. Except to the extent permitted in a Phase PA, the Participants will not sell, transfer title to, disclose, or transfer possession of Project Foreground Information or jointly acquired Project Equipment to any Third Party without the prior written consent of the other Participant. Furthermore, neither Participant will permit any such sale, disclosure, or transfer, including by the owner, without the prior written consent of the other Participant. Such consent will not be given unless the government of the intended recipient consents in writing with the Participants that it will:

12.1.1.1. not retransfer, or permit the further retransfer of, any Project Equipment or Information provided; and

12.1.1.2. use, or permit the use of, any Project Equipment 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 Project Equipment or Project Background Information provided by the other 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 provisions for implementing such transfers.

12.3. Sales and other transfers of equipment developed or Project Foreground Information generated under this MOU may attract a levy to be shared between the Participants according to their contributions to the Project. Prior to any such sale or transfer, the amounts of any levy and the procedures for assessing and distributing such levy will be mutually determined by both Participants.
12.3.1 Specific details of the levy rates will be specified in the contracts for each phase of the Project.

12.3.2 A Participant may reduce or waive recovery of its share of the levy in accordance with its national laws, regulations and practices.
SECTION XIII

LIABILITY AND CLAIMS

13.1. Claims arising under the Phase PAs to this MOU will be dealt with under paragraph 1. of the Agreement Concerning Defense Cooperation Arrangements of 27 May 1993. Any cost sharing arrangements under paragraph 1(b)(ii) of that Agreement will be specified in each individual PA.
14.1. It is recognized that other national defense organizations may wish to join the Project under this MOU and any of its Phase PAs.

14.2. Mutual consent of the Participants will be required to conduct discussions with potential additional participants. The Participants will discuss the arrangements under which another participant might join, including the furnishing of releasable Project Information for evaluation prior to joining. If the disclosure of Project Information is necessary to conduct discussions, such disclosure will be in accordance with Section VIII (Disclosure and Use of Project Information), Section IX (Controlled Unclassified Information), Section XI (Security) and Section XII (Third Party Sales and Transfers).

14.3. The Participants will jointly formulate the provisions under which additional participants might join this MOU and its PAs. The addition of new participants to the Project will require amendment of this MOU and specific Phase PAs by the Participants to incorporate necessary multilateral provisions.
SECTION XV

CUSTOMS DUTIES, TAXES, AND SIMILAR CHARGES

15.1. 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 its Phase PAs.

15.2. Each Participant will endeavor 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 Project. If customs duties or identifiable taxes are levied, they will be borne by the Participant in whose country they are levied. The EC recipient Participant will settle customs duties and comparable levies due to the EC in respect of parts, components and equipment needed for the Project.
SECTION XVI

SETTLEMENT OF DISPUTES

16.1. Disputes between the Participants arising under or relating to this MOU or its Phase PAs will be resolved only by consultation between the Participants and will not be referred to a national court, to an international tribunal, or to any other person or entity for settlement.
17.1. All activities of the Participants under this MOU and its Phase PAs will be carried out in accordance with their national laws and the responsibilities of the Participants will be subject to the availability of appropriated funds for such purposes.

17.2. This MOU may only be amended by the mutual written consent of the Participants. A Phase PA may only be amended by the mutual written consent of the Participants.

17.3. This MOU may be terminated at any time with the mutual written consent of the Participants. In that event both Participants will consult prior to the date of termination to ensure termination on the most economical and equitable terms. In the event of MOU termination, all Phase PAs will also be automatically terminated.

17.4. Either Participant may terminate this MOU upon 180 days written notification to the other Participant. Such notice will be the subject of immediate consultation by the SC to decide upon the appropriate course of action. In the event of such termination, the following rules apply:

17.4.1. The terminating Participant will continue participation, financial or otherwise, up to the effective date of termination of this MOU or its Phase PAs, as appropriate.

17.4.2. Each Participant will pay the costs it incurs as a result of termination.

17.4.3. All Project Information and rights therein received under the provisions of this MOU and its Phase PAs prior to termination of the MOU or its Phase PAs will be retained by the Participants, subject to the provisions of this MOU and its Phase PAs.

17.4.4. The terminating Participant will give all reasonable assistance to the remaining Participant for the continuation of any work commenced under any PA to this MOU, and in particular will, if the remaining Participant so wishes, use its
reasonable endeavors to enable Contractors to continue with any work being carried out and to facilitate appropriate export licenses.

17.4.5. Specific additional termination provisions may be established in a specific Phase PA.

17.5. The respective rights, benefits 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), Section XIII (Liability and Claims), and Section XVI (Settlement of Disputes), will continue notwithstanding termination or expiration of this MOU and its Phase PAs.

17.6. This MOU, which consists of the Introduction and seventeen Sections, will come into effect upon signature by both Participants and will remain in effect for twenty-five years. It may be extended by the mutual written consent of the Participants.
The foregoing represents the understandings reached between the Secretary of Defense on behalf of 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 upon the matters referred to therein.

Signed in duplicate in the English language by authorized representatives.

FOR THE SECRETARY OF DEFENSE ON BEHALF OF THE DEPARTMENT OF DEFENSE OF THE UNITED STATES OF AMERICA:

J. M. FEIGLEY
Signature

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

S. ... Porter
Signature

Name

EXECUTIVE DIRECTOR
Title

Marine Corps Systems Command
Location

20 Sep 99
Date

Abbey Wood, Bristol
Location

October 1999
Date