

SECTION XVII

CUSTOMS DUTIES, TAXES, AND SIMILAR CHARGES

17.1 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 Project.

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

SECTION XVIII

SETTLEMENT OF DISPUTES

18.1 Disputes between the Participants arising under or relating to this MOU 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.

SECTION XIX

ENTRY INTO EFFECT, DURATION, AMENDMENT AND TERMINATION

19.1 All activities of the Participants under this MOU will be carried out in accordance with their national laws and the responsibilities of the Participants will be subject to the availability of funds appropriated to implement this MOU.

19.2 In the event of a conflict between a Section of this MOU and any Annex to this MOU, the Section will take precedence.

19.3 This MOU, which consists of 19 Sections and 3 Annexes, will enter into effect upon signature by both Participants and will remain in effect for 20 years. It may be extended by the mutual written consent of the Participants. Participation in subsequent phases (SDD, P&D) will be subject to national approval.

19.4 Except as otherwise provided, this MOU may be amended by the mutual written consent of the Participants. Annex A of this MOU may be amended by the written approval of both the PEO and its UK counterpart.

19.5 This MOU may be terminated at any time upon the mutual written consent of the Participants. In the event both Participants consent to terminate this MOU, the Participants will consult prior to the date of termination to ensure termination on the most economical and equitable basis.

19.6 Either Participant may terminate this MOU upon 180 days written notification to the other Participant. Such notice will be the subject of immediate consultation between the PEO and its UK counterpart to decide upon the appropriate course of action. In the event of such termination, the following rules apply:

19.6.1 The terminating Participant will continue participation, financial or otherwise, up to the effective date of termination.

19.6.2 The terminating Participant will pay all Contract Modification or Termination costs that would not otherwise have been incurred but for the decision to terminate. In no event will the terminating Participant's total financial contribution to the phase in which termination occurs exceed the terminating Participant's Cost Ceiling for the phase.

19.6.3 All Project Information and rights therein received under the provisions of this MOU prior to the termination will be retained by the Participants, subject to the provisions of this MOU. No warranty is implied with regard to sufficiency or adequacy of the Project Information provided prior to termination.

19.7 The respective rights and responsibilities of the Participants regarding Section IX (Project Equipment), Section X (Disclosure and Use of Project Information), Section XI (Controlled Unclassified Information), Section XIII (Security), Section XIV (Third Party Sales and Transfers), and Section XV (Liability and Claims), will continue notwithstanding termination or expiration of this MOU.

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 English by authorized representatives.

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

E.C. Aldridge, Jr.
Signature

E.C. Aldridge, Jr.
Name

USD (AT+L)
Title

7 December 2001
Date

Washington, DC
Location

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

R. Walmsley
Signature

R. WALMSLEY
Name

Chief of Defense Procurement
Title

4 December 2001
Date

LONDON
Location

ANNEX A

SYSTEM REQUIREMENTS

1. The Common Missile "Operational Requirements Document" (ORD) will be developed and approved by Headquarters, Training and Doctrine Command (TRADOC), in consultation with the UK. The Common Missile System requirements will be specified in the ORD.

2. The Common Missile System Design Guidelines are as follows:

2.1 Performance.

2.1.1 Meet or exceed the Follow-On to TOW and Modernized Hellfire requirements. Increased range.

2.1.1 Defeat T-90 PIP 1 targets.

2.1.2 Engage additional targets (buildings, field fortifications, light vehicles, etc.)

2.1.3 Primary Fire and Forget Guidance. Secondary Precision Point Targeting.

2.1.4 Effective in adverse weather operations.

2.1.5 Effective in battlefield obscurant environment.

2.1.6 Robust performance in a countermeasures environment.

2.1.7 Low probability of intercept.

2.2 Physical Dimensions (Common Missile).

2.2.1 Approximately 50 inches long.

2.2.2 Six inches in diameter.

2.2.3 Equal or less than 70 pounds.

2.3 Design Parameters.

2.3.1 Easily incorporates future technology through modularity and standard interfaces.

2.3.2 Cost effective modernization via spares exchange.

2.3.3 Minimized logistics support.

2.3.4 Insensitive Munitions.

2.3.5 Re-programmable Software.

2.4 Compatibility. The Project will investigate compatibility with US Army, Navy, Marine Corps, Air Force, and UK platforms.

ANNEX B

FINANCIAL MATTERS

1. C/TD Phase Financial Details:

1.1 The Participants' estimate of C/TD phase funding requirements are depicted in the attached chart.

1.2 The C/TD phase Financial Costs depicted in the attached chart include C/TD phase Contract costs, and US and UK PMO personnel travel and subsistence costs required to conduct PMO business.

1.3 The C/TD phase will benefit from existing US and UK technology and associated Project Information. The value of such technology and associated Project Information has been verified, and is depicted in the attached chart. The procedures for transfer and accounting for the technology exchanged is contained in the Financial Management Procedures Document (FMPD).

1.4 It is recognized the fiscal year of the UK differs from the fiscal year of the US. It is also recognized and agreed that the UK will fund this phase of the Project by quarterly payments based on their fiscal year as outlined in the C/TD phase financial schedule contained in the C/TD phase FMPD.

2. The PM will be responsible for establishing the developing a C/TD phase FMPD, to be approved by PEO and its UK counterpart prior to any transfer of funds for each phase, under which the detailed financial management aspects of the Project will be conducted. Each phase's FMPD will be developed and approved having due regard to established best practice and conforming with the Participants' national laws and regulations.

3. Cooperative Program Personnel (CPP) Financial Matters:

3.1 The host Participant will be responsible for the following: *

3.1.1 Travel and subsistence costs in connection with the performance of any duty carried out pursuant to a non-Project related requirement of the host Participant. ✓

3.1.2 Costs incurred as a result of a change in location of work ordered by the host Participant during the period of assignment.

3.1.3 Costs associated with the use of facilities and equipment necessary for the performance of tasks assigned to CPP.

3.2 The parent Participant's responsibility will include all other costs and expenses of assigned CPP including: *

3.2.1 All pay and allowances.

3.2.2 Travel to and from the place of the assignment of the host Participant, except for travel in connection with the performance of duty carried out pursuant to a requirement of the host participant. ✓

3.2.3 All temporary duty costs, including travel costs, when such duty is carried out at the request of the parent Participant.

3.2.4 Compensation for loss of, or damage to, the personal property of CPP, or the personal property of their dependents.

3.2.5 The movement of dependents and the household effects of CPP.

3.2.6 Preparation and shipment of remains and funeral expenses in the event of the death of CPP or their dependents.

3.2.7 All expenses in connection with the return of CPP whose assignment has been terminated, along with their dependents.

C/TD Phase Funding Profile (estimated)

| | 3 rd Qtr 01 | 4 th Qtr 01 | 1 st Qtr 02 | 2 nd Qtr 02 | 3 rd Qtr 02 | 4 th Qtr 02 | 1 st Qtr 03 | 2 nd Qtr 03 | 3 rd Qtr 03 | 4 th Qtr 03 | Total |
|---------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|---------------|
| US Financial | 4.00 | 0.93 | 14.00 | 2.65 | 0.00 | 0.00 | 33.21 | 2.38 | 0.00 | 0.00 | 57.17 |
| US Non-Financial | 15.83 | 0.00 | 1.00 | 0.00 | 0.00 | 0.00 | 1.00 | 0.00 | 0.00 | 0.00 | 17.83 |
| US Total | 19.83 | 0.93 | 15.00 | 2.65 | 0.00 | 0.00 | 34.21 | 2.38 | 0.00 | 0.00 | 75.00 |
| UK Financial | 0.00 | 0.00 | 2.90 | 0.00 | 2.90 | 0.00 | 2.90 | 0.00 | 0.00 | 0.00 | 8.70 |
| UK Non-Financial | 16.79 | 0.00 | 3.43 | 0.00 | 0.00 | 0.00 | 3.40 | 0.00 | 0.00 | 0.00 | 23.63 |
| UK Total | 16.79 | 0.00 | 6.33 | 0.00 | 2.90 | 0.00 | 6.30 | 0.00 | 0.00 | 0.00 | 32.33 |
| Total | 36.62 | 0.93 | 21.33 | 2.65 | 2.90 | 0.00 | 40.51 | 2.38 | 0.00 | 0.00 | 107.33 |
| Cost Ceiling | | | | | | | | | | | 107.33 |

ANNEX C

COOPERATIVE PROJECT PERSONNEL

1. This Annex establishes the provisions for CPP assigned for work in accordance with Section IV (Scope of Work) of this MOU. Commencement of assignments will be subject to the requirements that may be imposed by the host Participant or its government pertaining to immigration and visit requests. The host and parent Participants will determine the length of tour for the positions at the time of initial assignment.

2. CPP will be assigned to work on the Common Missile Project and will report to a supervisor to be identified by the host Participant. CPP will have a position description mutually determined by the parent and host Participants. CPP will not act as liaison officers for their parent Participant.

3. CPP will not be assigned to command or other positions that would require them to exercise responsibilities that are reserved by law or regulation to an officer or employee of the host Participant.

4. Security.

4.1 The host Participant will establish the level of security clearance required, if any, to permit CPP to have access to Classified Information and material and facilities. Access to Classified Information and material and facilities will be limited by the scope of the relevant Common Missile Project activities.

4.2 The parent Participant will file visit requests through prescribed channels in compliance with the host Participant's procedures.

4.3 The host and parent Participants will ensure that CPP assigned to a host Participant's facility to conduct Common Missile activities are aware of the requirements of the Common Missile MOU. On arrival, CPP and their dependents will be informed by the host Participant's representative about applicable laws, orders, regulations, and customs and the need to comply with them. Prior to commencing assigned duties, CPP will, if required by the host Participant, sign the certification at Appendix I.

4.4 CPP will at all times be required to comply with the security laws, regulations, and procedures of the host government. Any violation of security procedures by CPP during their assignment will be reported to the parent Participant for appropriate action. CPP committing significant violations of security laws, regulations, or procedures during their assignments will be withdrawn from the host Participant's facility. The parent Participant will consider, as appropriate, administrative or disciplinary action.

4.5 All Classified Information and Material made available to CPP will be considered as Classified Information and Material furnished to the parent Participant,

and will be subject to all provisions and safeguards provided for in Section XIII (Security).

4.6 CPP will not have personal custody of Classified Information or Material or Controlled Unclassified Information unless approved by the host Participant and as authorized by their parent Participant. They will be granted access to such Information and Material in accordance with Section XI (Controlled Unclassified Information), Section XIII (Security), and the applicable Project Security Instructions during normal duty hours or when access is necessary to perform work for the Common Missile Project.

4.7 CPP assigned to a host Participant's facility to conduct Common Missile activities will not serve as a conduit between the Participants for requests and/or transmission of Classified Information and Material or Controlled Unclassified Information outside the scope of their assignment, unless specifically authorized by the parent Participant.

5. Administrative Matters

5.1 Subject to applicable multilateral and bilateral treaties, agreements, and arrangements of the governments of the Participants, CPP and their authorized dependents will be accorded:

5.1.1 Exemption from any host government tax upon income received from the parent Participant.

5.1.2 Exemption from any host government customs and import duties or similar charges levied on items entering the country from their official or personal use, including their baggage, household effects, and private motor vehicles.

5.2 On arrival, CPP will be provided briefings arranged by the host Participant's representative regarding (subject to applicable multilateral and bilateral arrangements) entitlements, privileges, and obligations such as:

5.2.1 Any medical and dental care that may be provided to CPP and their dependents at local medical facilities, including reimbursement when required.

5.2.2 Purchasing and patronage privileges at military commissaries, exchanges, theaters, and clubs for CPP and their dependents.

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

5.2.4 Responsibility of CPP and their accompanying dependents to obtain motor vehicle liability insurance coverage in accordance with the host Participant's laws and regulations, including those applicable in the area where they

are residing. In case of claims involving the use of private motor vehicles by CPP, the recourse will be against such insurance.

5.3 The host Participant will, in consultation with the CPP, establish standard operating procedures for CPP in the following areas:

5.3.1 Working hours, including holiday schedules.

5.3.2 Leave authorization, consistent to the extent possible with the military and civilian personnel regulations and practices of the host and parent Participants.

5.3.3 Dress regulations, consistent to the extent possible with the military and civilian personnel regulations and practices of the host and parent Participants.

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

5.4 CPP committing an offense under the laws of the government of the host or parent Participant may be withdrawn from the host Participant's facility. The parent Participant will consider, as appropriate, further administrative or disciplinary action. Disciplinary action, however, will not be taken by the host Participant against other Participant's CPP, nor will one Participant exercise disciplinary powers over CPP of another Participant. The host government may assist other Participants in carrying out investigations of offenses involving other Participants' CPP.

5.5 During their assignment, CPP will not be placed in the following duty status or environments unless mutually decided by the host and parent Participants:

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

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

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

APPENDIX 1 TO ANNEX C
CERTIFICATION OF CONDITIONS AND RESPONSIBILITIES
FOR COMMON MISSILE COOPERATIVE PROJECT PERSONNEL

I understand and acknowledge that I have been accepted for assignment to the Common Missile Project pursuant to the Common Missile MOU. In connection with this assignment, I further understand, acknowledge, and certify that I shall comply with the following conditions and responsibilities.

1. The purpose of the assignment is to provide my expertise to the Common Missile Project. There shall be no access to information except as required to perform the duties or as otherwise authorized in accordance with the Common Missile MOU Section X (Disclosure and Use of Information) and Section XIII (Security).
2. I shall perform only functions that are properly assigned to me.
3. All Classified Information and material and Controlled Unclassified Information to which I may have access during this assignment will be treated as information provided to my government and will not be further released or disclosed by me, except in accordance with the Common Missile MOU Section XIII (Security).
4. When dealing with individuals outside of my immediate office of assignment on official matters, I shall inform them that I am a foreign national/CPP.
5. I have been briefed on, understand, and will comply with the applicable regulations of the host Participant, the provisions of the Common Missile MOU, and any applicable security instructions or guidelines related to my assignment.
6. I shall immediately report to my designated superior all unauthorized attempts to obtain Classified Information and material or Controlled Unclassified Information to which I may have access as a result of this assignment.

David Cogan
(Typed Name)

C1 / Mr
(Rank/Title)


(Signature)

18th January 2002
(Date)