

04-648

[Approved]

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  
COMMON MISSILE PROGRAM  
(Short Title: Common Missile MOU)

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## SECTION I

### INTRODUCTION

The Secretary of Defense on behalf of the Department of Defense (DOD) of the United States of America (US) and the Secretary of State for Defence (MOD) of the United Kingdom of Great Britain and Northern Ireland (UK), 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 applies to this MOU;

Recognizing the Memorandum of Understanding between the Government of the United States of America and the Government of the United Kingdom of Great Britain and Northern Ireland Relating to Principles Governing Cooperation in Research and Development, Production, Procurement and Logistic Support of Defence Equipment dated 13 December 1994 or any successor thereto applies to this MOU;

Recognizing the applicability to this MOU of the Agreement between the Parties to the North Atlantic Treaty regarding Status of their Forces, done in London, UK on 19 June 1951;

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;

Having a potential mutual need for the development, production, and deployment of the Common Missile system to satisfy national operational requirements;

Having independently conducted research and exploratory development of the applications of various technologies, recognize the benefits of cooperation in the Common Missile Project;

Recognizing that any future financial commitment to phases after the Concept and Technology Demonstration (C/TD) Phase will be subject to approval by the Participants;

Desire to carry out in cooperation the development, production, and follow-on support of a Common Missile to address their needs;

Have reached the following understandings:

## SECTION II

### DEFINITIONS

The Participants have jointly decided upon the following definitions for terms used in this Memorandum of Understanding:

Best Value	The value providing greatest benefit to both Participants.
CADMID	UK project phase sequence, Concept, Assessment, Demonstration, Manufacturing, In Service, Disposal
Classified Information	Official information that requires protection in the interests of national security and is so designated by the application of a security classification marking.
Common Missile	The missile and canister.
Common Missile Purposes	Performance of activities and future efforts by a Participant (collaboratively, nationally or under US Foreign Military Sales arrangements) for the design, development, manufacture, operation, and support of a Common Missile and UK Brimstone.
Common Missile System	The missile, canister, logistics, test equipment, training, fire control system, and personnel.
Contract	Any mutually binding legal relationship that 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 (but not determination) 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/or terminate Contracts.
Contracting Officer	A person representing a Contracting Agency of a Participant who has the authority to enter into, administer, and/or terminate Contracts.

Contractor	Any entity awarded a Contract by a Participant's Contracting Agency for the purposes of carrying out work for the Project.
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.
Cooperative Project Personnel (CPP)	Military members or civilian employees of a Participant assigned to work on Common Missile activities in a country other than their own who perform managerial, engineering, technical, administrative, contracting, logistics, financial, planning, or other functions in furtherance of the Project.
Cost Ceiling	The maximum amount to which the Cost Target for the current phase may move without the prior written approval of the Participants.
Cost Target	The accepted planning figure of the financial cost of the current phase of the Project.
DPA	The Defense Procurement Agency of the MOD.
Defense Purposes	Manufacture or other use in any part of the world by or for the armed forces of either Participant, excluding sales, transfers, or grant aid to Third Parties.
Designated Security Authority (DSA)	The security office approved by national authorities to be responsible for the security aspects of this MOU.
Financial Costs	Monetary contributions to the Project.
Initial Operational Capability (IOC)	That date when the first unit or units of a system are fielded, have completed testing, and are determined to be ready for deployment and operational field support.
Non-financial Costs	Any non-monetary contribution to the Project.

Patent	Legal protection of the right to exclude others from making, using, keeping, importing or selling an invention. The term refers to any and all patents including, but not limited to, patents of implementation, improvement, or addition; petty patents; utility models; appearance design patents; registered designs; and inventor certificates or like statutory protection as well as divisions, reissues, continuations, renewals, and extensions of any of these.
Project	All co-operative phases of the Common Missile Project.
Project Equipment	Any materials, equipment, end item, subsystem, component, special tooling or test equipment jointly acquired or provided for use in the Project.
Project Background Information	Information used in, but not generated by the Project.
Project Foreground Information	<b>Project Information generated by the Project.</b>
Project Information	Any information provided to, generated in, or used in this Project regardless of form or type, including, but not limited to, that of a scientific, technical, business, or financial nature, and also including photographs, reports, manuals, threat data, experimental data, test data, computer software, designs, specifications, processes, techniques, inventions, drawings, technical writings, sound recordings, pictorial representations, and other graphical presentations, whether in magnetic media, machine readable media, computer memory, or any other form and whether or not subject to copyright, Patent, or other legal protection.
Project Invention	Any invention or discovery formulated or made (conceived or first actually reduced to practice) in the course of work performed under the 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.
Project Plan	Document that provides a description of the Project's major events, delivery requirements and

milestones that is updated periodically.

**Project Purposes**

Any use by or for a Participant relating to the Project including all phases of the Project carried out jointly or separately by the Participants.

**Special Tooling**

Jigs, dies, fixtures, molds, patterns, tapes, gauges, other equipment and manufacturing aids, and all components of these items, which are of such a specialized nature that without substantial modification or alteration their use is limited to the development or production of particular supplies or parts thereof or to the performance of particular services and excluding material, special test equipment, facilities (except foundations and similar improvements necessary for installing special tooling), general or special machine tools, or similar capital items.

**Third Party**

A government other than the government of a Participant and, any person or other entity whose government is not the government of a Participant.

## SECTION III

### OBJECTIVES

#### 3.1 The objectives of this Project are:

3.1.1 To design, develop and produce a modern anti-material, anti-armor missile that can be launched from current and future ground and aerial platforms. The missile will be backward compatible with the existing TOW and Hellfire missile launchers and fire control systems.

3.1.2 To deploy a Common Missile that will counter the anticipated threats in the 2010 time period and will be periodically up-dated through Pre-Planned Product Improvements (Technology Insertion) to cope with evolving threats into the 2020 time period.

3.1.3 To enhance the interoperability and supportability of the Participant's ground, helicopter and fixed wing forces by providing a Common Missile that enhances battlefield flexibility and reduces logistical support burdens.

#### 3.2 This is a Project MOU.

3.2.1 The signature of this MOU by both Participants will authorize the implementation of the C/TD phase of the cooperative effort.

#### 3.2.2 The Participants' future phase intentions are as follows:

3.2.2.1 The System Development and Demonstration (SDD) phase is planned to start in fiscal year 2004 and conclude in Fiscal Year 2007. The SDD phase will focus on the development, integration and testing of the Common Missile and establishment of supportability and Life Cycle Cost baselines.

3.2.2.2 The Production and Deployment (P&D) phase is planned to begin in fiscal year 2008. The Participants intend to establish minimum economic production levels in order to retain an active production base over an extended number of years and contribute to minimizing the disposition cost at the end of the missiles' in-service life. In addition, the Participants intend to pursue Pre-Planned Product Improvement (Technology Insertion) efforts during the Production phase in order to improve performance, reduce parts obsolescence, and reduce cost of ownership. The Participants also intend to induce and retain industrial competition during the life cycle of the Common Missile Project.

3.2.2.3 The Participants intend to maximize future commonality in US and UK Common Missile configurations, and recognize that, should other nations become partners during the course of this Project or purchase the Common Missile through Foreign Military Sales, the potential for additional configuration differences will exist.

3.2.2.4 The Participants recognize that future integration of the Common Missile System on national platforms will be a national responsibility.

3.2.2.5 Should cryptographic equipment be introduced into the Common Missile during the Project, release of the crypto keys and associated equipment will be as determined by the US National Security Agency (NSA).

3.2.3 Participation in future phases will provide the Participants with the opportunity for further cooperation in SDD and Production and Deployment. Such cooperation will be the subject of amendments to this MOU.

## SECTION IV

### SCOPE OF WORK

4.1 The conduct of technology risk reduction activities during the C/TD phase focuses primarily in the areas of missile multi-mode seekers, controllable propulsion, warhead and warhead fuzing, and systems integration. The technology risk reduction effort will be conducted using competitive "Best Value" Contracting practices. The C/TD phase is planned to conclude during Fiscal Year 2003 with the missile component technologies having achieved a Technology Readiness Level (TRL) between 6 and 7, or greater (TRL 6 = System/subsystem model or prototype demonstrations in a relevant environment. TRL 7 = System prototype demonstration in an operational environment.). Maximum utilization will be made of modeling and simulation to establish the maturity of the technology, validated by component, subsystem and system demonstrations.

4.2 The tasks to be conducted by the Project Manager during the C/TD phase as described in the Project Plan will include, but not be limited to, the following:

4.2.1 Common Missile requirements harmonization.

4.2.2 Maximizing the interoperability between the Common Missile and the relevant land, sea, and air platforms of the Participants.

4.2.3 Identifying opportunities for UK technology insertion into the Common Missile Project and other programs within the Program Executive Office for Tactical Missiles.

4.2.4 Assessing the maturity of applicable technologies.

4.2.5 Monitoring the systems engineering and system support activities, to include logistical support concepts and system software development.

4.2.6 Monitoring and assessing the system integration, modeling and simulation studies.

4.2.7 Conducting system and/or subsystem flight tests to demonstrate the maturity of the technologies.

4.2.8 Developing the SDD phase Request for Proposal (RFP) and RFP evaluation criteria.

4.2.9 Conducting the source selection activities associated with the selection of the prime Contractor(s) for the SDD phase.

## SECTION V

### MANAGEMENT (ORGANIZATION AND RESPONSIBILITY)

5.1 This US-lead Project will be directed and administered on behalf of the Participants by the DOD Program Executive Officer for Tactical Missiles (PEO) and its UK counterpart, the DPA Infantry Guided Weapons Integrated Project Team Leader (IPTL). The PEO will have overall authority over the Project Manager (PM), but actions concerning the Project will be taken in accordance with this MOU. The PM will have primary responsibility for effective implementation, efficient management, and direction of the Project in accordance with this MOU.

5.2 The PEO will meet semi-annually with its UK counterpart with additional meetings held at the request of either representative. The PEO in consultation with its UK counterpart will approve the detailed Project Plan, baseline, acquisition strategy concept, and schedule. They will periodically review the progress and execution of the Project and make decisions affecting the Project. In the absence of consensus on a critical issue during a phase, the approved Project Plan will continue to be implemented without interruption under the direction of the PM while the issue is resolved.

5.3 The PEO, in consultation with its UK counterpart, will be responsible for:

5.3.1 Reviewing progress in meeting the requirements as specified in Annex A (System Requirements) of this MOU.

5.3.2 Reviewing the technical progress of the Project against a Project Plan developed by the PM and approved by the PEO and its UK counterpart.

5.3.3 Resolving issues brought forth by the PM in consultation with its UK DPA Point of Contact (POC).

5.3.4 Reviewing the financial status of the Project to ensure compliance with the provisions of Section VI (Financial Provisions) and Annex B (Financial Matters) of this MOU.

5.3.5 Maintaining oversight of the security aspects of the Project, including reviewing and obtaining approval from the appropriate Designated Security Authority (DSA) of a Project Security Instruction and a Classification Guide prior to the transfer of Classified Information or Controlled Unclassified Information.

5.4 A Project Management Office (PMO) will be established at Redstone Arsenal, Huntsville, Alabama to manage the Project. The US Department of the Army will appoint the PM, who, as head of the PMO, will be responsible for implementing this MOU and for day-to-day management of the Project. The UK will identify an individual at the DPA that will act as PM's POC.

5.5 The PM will be responsible for:

- 5.5.1 Managing the cost, schedule, performance, and supportability requirements; technical; and financial aspects of the Project described in this MOU.
- 5.5.2 Executing the approved Project Plan.
- 5.5.3 Developing and submitting any required changes to the approved Project Plan to its UK POC and the PEO.
- 5.5.4 Executing the financial aspects of the Project in accordance with Section VI (Financial Provisions) and Annex B (Financial Matters).
- 5.5.5 Referring issues to the PEO that it cannot resolve.
- 5.5.6 Developing and recommending to the PEO and its UK counterpart amendments to this MOU and Annexes.
- 5.5.7 Developing and implementing PEO approved plans to manage and control the transfer of Project Equipment provided by either Participant in accordance with Section IX (Project Equipment).
- 5.5.8 Developing and implementing PEO approved plans for the disposal of jointly acquired Project Equipment under this MOU in accordance with Section IX (Project Equipment).
- 5.5.9 Developing and forwarding to the Participants' DSAs a Project Security Instruction and a Classification Guide for the Project within three months after MOU signature.
- 5.5.10 Making recommendations to the PEO and its UK counterpart regarding the addition of Participants in accordance with Section XVI (Participation of Additional Nations).
- 5.5.11 Providing 10 working days prior to each semi-annual meeting, status reports to the PEO and its UK counterpart for review.
- 5.5.12 Exercising software management.
- 5.5.13 Providing information to support the development of the UK Project Risk Management Plan.
- 5.5.14 Providing information to support UK reporting requirements for maintenance of a Project Diary and Project History.
- 5.5.15 Maintaining effective communication with its UK DPA POC.
- 5.5.16 Maintaining appropriate inventories, including but not limited to, those of Project Equipment, Project Background Information, and Project Foreground Information.

5.5.17 Immediately reporting to the PEO and its UK counterpart any cost growth.

5.6 The UK will provide Common Missile Cooperative Project Personal (CPP) in the PMO. The UK CPP will be responsible for:

5.6.1 Accomplishing tasks as assigned by the PM in accordance with the guidance provided in Annex C (Cooperative Project Personal).

5.6.2 Coordinating the accomplishment of UK national tasks within the framework of this MOU.

5.6.3 Planning, directing, controlling, and monitoring the allocation and utilization of UK national resources in support of the Project within the authority delegated to them by the UK DPA IPTL.

5.6.4 Attending Project reviews and providing appropriate input.

5.6.5 Monitoring activities and Contracts placed under this MOU.

5.6.6 Providing cost and technical data to support the UK national budget process.

5.6.7 Coordinating with UK agencies and organizations involved with the Project.

## SECTION VI

### FINANCIAL PROVISIONS

6.1 The Participants estimate that the performance of the C/TD phase of this MOU will not cost more than the Cost Ceiling of \$107.33M in US Constant Year 2001 dollars. The Cost Ceiling may be changed only upon the written consent of the Participants. The US dollar will be the reference currency for the Project, and the Project fiscal year will be the US fiscal year.

6.2 Each Participant will contribute its equitable share of the full Financial Costs and Non-financial Costs of the Project, including overhead costs, administrative costs, and costs of claims, and will receive an equitable share of the output of the Project.

6.3 The estimated Financial Costs and Non-Financial Costs of the C/TD phase are identified in Annex B (Financial Matters). Non-financial contributions for PMO administration and associated support services (e.g., Contract award, Contract administration, office space, security services, etc.) have also been mutually decided, and are further detailed in Annex B (Financial Matters). The allocation of costs associated with the assignment of UK CPP are also specified in Annex B (Financial Matters).

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

6.4.1 Costs associated with national representation at meetings by non-PMO personnel.

6.4.2 Costs associated with any unique national requirements identified by a Participant, to include integration on national platforms.

6.4.3 Any other costs not expressly stated as shared costs or any costs that are outside the scope of this MOU.

6.5 Each Participant will fund the Project in accordance with a financial schedule contained in the Financial Management Procedures Document.

6.6 A Participant will notify the other Participant if available funds are not adequate to fulfill its responsibilities under this MOU. Under these circumstances, both Participants will immediately consult with a view toward continuation on a modified basis.

6.7 Each Participant will be responsible for the internal audit scrutiny of procurement activity carried out by it, in accordance with its own national practices. Any audit reports will be made available to the MOD. The DOD will be responsible for the internal audit of the PMO funds in accordance with US practices. Reports of such audits will be made available to the MOD.

6.8 The Participants recognize that it may become necessary for one Participant to incur contractual or other responsibilities for the benefit of the other Participant prior to the receipt of the other Participant's funds. In the event that one Participant incurs such responsibilities, the other Participant will make such funds available in such amounts and at such times as may be required by the Contract or other responsibility and to pay any damages and costs that may accrue from the performance or cancellation of the Contract or other responsibility in advance of the time such payments, damages, or costs are due.