

DEFENSE

Cooperation

**Agreement between
the UNITED STATES OF AMERICA
and AUSTRALIA**

Signed at Washington and Canberra
April 11 and 21, 2005

with

Annexes



NOTE BY THE DEPARTMENT OF STATE

Pursuant to Public Law 89—497, approved July 8, 1966
(80 Stat. 271; 1 U.S.C. 113)—

“ . . .the Treaties and Other International Acts Series issued under the authority of the Secretary of State shall be competent evidence . . . of the treaties, international agreements other than treaties, and proclamations by the President of such treaties and international agreements other than treaties, as the case may be, therein contained, in all the courts of law and equity and of maritime jurisdiction, and in all the tribunals and public offices of the United States, and of the several States, without any further proof or authentication thereof.”

AUSTRALIA

Defense: Cooperation

*Agreement signed at Washington and Canberra
April 11 and 21, 2005;
Entered into force April 21, 2005.
With annexes.*

AGREEMENT BETWEEN THE GOVERNMENT OF THE UNITED STATES OF AMERICA

AND

THE GOVERNMENT OF AUSTRALIA

CONCERNING CO-OPERATIVE AND COLLABORATIVE RESEARCH, DEVELOPMENT

AND ENGINEERING

PROJECT ARRANGEMENT, SERIAL NO N-05-0042

ON

THE AUSTRALIA/UNITED STATES PHASED ARRAY RADAR

(AUSPAR) PROJECT

Table of Contents

SECTION 1: RATIONALE	3
SECTION 2: DEFINITIONS	4
SECTION 3: OBJECTIVE	6
SECTION 4: TECHNICAL SCOPE	7
SECTION 5: SCHEDULE	9
SECTION 6: FUNDING	10
SECTION 7: CONTRACTING	12
SECTION 8: CLAIMS	14
SECTION 9: USE OF INFORMATION	15
SECTION 10: SPECIAL ARRANGEMENTS	16
SECTION 11: PROJECT EQUIPMENT	17
SECTION 12: PROJECT DIRECTORS	20
SECTION 13: CLASSIFICATION	21
SECTION 14: TERMINATION	22
ANNEX A: COOPERATIVE PROJECT PERSONNEL	23
ANNEX B: PROJECT EQUIPMENT	27

This Project Arrangement (PA) is made subject to the terms and conditions of the Agreement between the Government of Australia and the Government of the United States of America Concerning Co-operative and Collaborative Research, Development and Engineering dated 21 October 1994 (the Agreement). As the responsible agencies of the two Governments for the Agreement, the Australian Department of Defence (Australian DOD) and the United States Department of Defense (U.S. DOD) (hereinafter referred to as the Participants) have determined as follows:

SECTION 1 RATIONALE

Cooperatively develop, test, and evaluate medium and high powered tile demonstrators, an element of an advanced maritime active phased array radar, to reduce the risk and cost of future maritime radar development and production and/or radar upgrades for both Participants.

SECTION 2 DEFINITIONS

AUSPAR	Australia/United States Phased Array Radar
CEA FAR	Low Power Active Phased Array Radar developed by CEA Technologies, Pty, Ltd.
Contractor Support Personnel	Persons specifically identified for support contracts who provide administrative, managerial, scientific, or technical support services to a Participant under a contract with that Participant that prohibits using information received under the contract for any other purpose than those authorized in the Agreement, this PA and in the contract.
Cooperative Project Personnel (CPP)	Military members or civilian employees of a parent Participant assigned to the host Participant's facilities who perform managerial, engineering, technical, administrative, contracting, logistics, financial, planning or other functions in furtherance of 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 PA, the information will be marked to indicate its "in confidence" nature. Australian export-controlled information will be marked as "Australian Export Controlled." U.S. export-controlled information will be marked as "International Traffic in Arms Regulations (ITAR)-Controlled."
Financial Costs	Project costs met with monetary contributions.
Financial Management Procedures Document (FMPD)	A document that describes the estimated schedules, handling, and auditing of monetary contributions for the Project in which one Participant contracts on behalf of the other Participant or on behalf of both Participants to fulfill the objectives of the Project.

Maritime Theater Missile Defense (MTMD)	Missile defense, which includes maritime anti-air warfare, maritime anti-surface warfare and maritime theatre ballistic missile defense.
Medium Power Tile	Tile design capable of providing medium power level capability.
Participant	A signatory to this PA represented by its military and civilian DOD personnel. Contractors and Contractor Support Personnel will not be representatives of a Participant under this PA.
Phased Array Antenna	An array of radiating elements, each of which can be driven with an adjustable phase and/or time delay to steer the resultant beam in a desired direction to detect and track targets over a wide sector without mechanical movement of the antenna.
Project Equipment	Any material, equipment, end item, subsystem, component, special tooling or test equipment that is either owned by one Participant and provided for use in the Project or is jointly acquired by both Participants for use in the Project.
PU2	Power Upgrade 2, High Power Active Phased Array Radar based on CEA FAR Technology.
Radar	A system that uses reflected electromagnetic radiation to determine the velocity, location, and other characteristics of a targeted object.
Receiver	The equipment and computer programs from the S-band output of the antenna (i.e. Subarrays) to and including the A to D converters.
Tile	Antenna lowest replaceable unit, a tile provides 64 wideband elements.
T/R Module	Transmit and Receive Module.

SECTION 3 OBJECTIVE

The objective of this PA is to develop and test a sample number of medium and high power tile demonstrators to support development of future maritime radars and upgrades to existing radar systems including for Maritime Theatre Missile Defense (MTMD) applications.

SECTION 4 TECHNICAL SCOPE

4.1. The following work will be carried out under this PA:

- 4.1.1. Formation of working groups in specific radar related technical areas to provide information and recommendations to the Project Directors (PDs).
- 4.1.2. Definition of system requirements for medium and high power tile demonstrators to include top-level design document development and functional design.
- 4.1.3. Development of systems designs, computer programs, and hardware to include: software development; antenna development and the design and build of receivers and data loggers; processor hardware upgrades; and sub-system integration for the demonstrators.
- 4.1.4. Integration and test planning of systems and subsystems for the four demonstrator tiles.
- 4.1.5. Testing of the four demonstrator tiles and analysis of the results.
- 4.1.6. Development and dissemination of a final report on the Project.

4.2. The Participants will jointly share the following tasks:

- 4.2.1. Develop and implement a Project plan within 90 days of PA signature;
- 4.2.2. Develop an Financial Management Procedures Document (FMPD), submit the FMPD to the AUSPAR Steering Committee (AUSPAR SC) for approval within 90 days of PA signature, and implement the FMPD;
- ~~4.2.3. Participate in technical interchange and design review meetings as described in the Project plan;~~

- 4.2.4. Define systems requirements to include top-level design document development;
- 4.2.5. Develop and provide a test and evaluation capability for staged risk management of active phased array radar capability in a radar system;
- 4.2.6. Develop four tile demonstrators incorporating medium and high power capability based on a segmented aperture approach. The first two tile demonstrators will be medium power tiles, the second two tile demonstrators will be high power tiles. The first two tile demonstrators may be upgraded to high power tile configuration;
- 4.2.7. Conduct joint testing including planning, execution and analysis of data;
- 4.2.8. Test air warfare applications, digital processing, high power T/R Modules and thermal management architectures;
- 4.2.9. Test the four demonstrator tiles in various environments including ease of calibration of offset tile segments, and shock and vibration;
- 4.2.10. Develop a cost model and verify that this model can predict the future cost of a radar system; and,
- 4.2.11. Prepare and disseminate a final report on the Project.

SECTION 5 SCHEDULE

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

Phase	Start	Duration
Phase 1: Form working groups and develop Project plan and FMPD	Start of Project, T0	3 Months
Phase 2: Define system requirements	Start of Project, T0	6 Months
Phase 3: Develop, design and build modules	Start of Project, T0 + 6 Months	12 Months
Phase 4: Conduct integration testing, perform modifications, and plan joint testing	Start of Project T0 + 18 Months	12 Months
Phase 5: Conduct joint testing	Start of Project T0 + 30 Months	6 Months
Phase 6: Prepare final report	Start of Project T0 + 36 Months	4 Months

5.2. The final report will be prepared and transmitted as per paragraph 5.1. above, but in no case later than six months before the termination date for this PA.

SECTION 6 FUNDING

6.1. Each Participant will contribute its equitable share of the full costs of the Project, including personnel, overhead and administrative costs, and costs of claims, and will receive an equitable share of the results as set out in this PA.

6.2. The total cost of the work under this PA will not exceed the sum of the following:

6.2.1. The U.S. DOD Financial Cost will not exceed \$12M (U.S. dollars).

6.2.2. The Australian DOD Financial Cost will not exceed \$17.5M (Australian dollars).

6.3. The Participants recognize that it may become necessary for the contracting Participant, consistent with its national laws, to incur contractual or other responsibilities for the benefit of the other Participant prior to receipt of the other Participant's funds under this PA. In such event, the other Participant will make such funds available in such amounts and at such times as may be required by the contract or other responsibilities, and will pay their equitable share, as mutually determined, of any damages and costs that may accrue from the performance or cancellation of the contract or other responsibilities in advance of the time such payments, damages, or costs are due.

6.4. The PD's will maintain complete records of all work performed, obligations and commitments incurred, and monies received and expended, and will ensure that the normal national audit surveillance and checks of accounting and procurement procedures will be applied in accordance with the standard accounting practices of each Participant. Audits for the Project will be performed on an as-required basis, as mutually determined by the AUSPAR SC. To the extent consistent with each Participant's laws, regulations, policies, and procedures, reports of such audits will be released to both Participants. The Participants will assist each other on any audit elements required to satisfactorily perform the audit. Where one Participant's auditors need to obtain or to inspect specific Project financial data of the other Participant which in their view is relevant to being able to fulfill its national

responsibilities, the Participants will grant access to such specific financial information as required.

6.5. Cooperative efforts of the Participants over and above the mutually determined tasks detailed in the Scope of Work, Sharing of Tasks and Financial Arrangements Sections will be subject to amendment to this PA or signature of a new PA.

6.6. The cost of Cooperative Project Personnel (CPP) assigned in accordance with Section 10 below will be borne as follows by the parent Participant:

- 6.6.1. All pay and allowances.
- 6.6.2. Transportation of the CPP and their personal property to the place of assignment in the host Participant's nation prior to the CPP's commencement of a tour of duty, and return transportation of the foregoing to the place of assignment in the host Participant's nation upon completion or termination of the tour of duty.
- 6.6.3. Compensation for the loss of, or damage to, the personal property of the CPP or the CPP's dependents, subject to the laws and regulations of the government of the parent Participant.
- 6.6.4. Preparation and shipment of remains and funeral expenses in the event of the death of the CPP or the CPP's dependents, subject to the laws and regulations of the government of the parent Participant.

6.7. The host Participant will be responsible for CPP assignment-related costs such as CPP cost of travel incurred in support of Project efforts, CPP-related training costs, contract award, contract administration, office space, security services, information technology services, communication services, and supplies.

SECTION 7 CONTRACTING

7.1. The Australian DOD will be primarily responsible for contracting for this Project in accordance with Australian contracting laws, regulations, policies, and procedures. Some U.S. DOD contracting will be performed in support of this PA as defined in SECTION 3 (OBJECTIVES), and will be performed by a U.S. contracting officer in accordance with U.S. contracting laws, regulations, policies, and procedures. The contracting officers are the exclusive source for providing contractual direction and instructions to contractors. A representative from the non-contracting Participant may be permitted to observe the contracting Participant's contract negotiations, subject to contractor consent.

7.2. The PD's will be responsible for the coordination of activities relating to the Project, and will cooperate with the contracting officers in the areas of contract procedures, contract negotiation, evaluation of offers, and contract award. The PD's will review statements of work prior to and during the development of solicitations to ensure that they are in accordance with this PA and with the Agreement. In addition, the contracting officers will keep the PD's advised of all financial arrangements with the prime contractor. Unless approved by the AUSPAR SC, the contracting officer will not incur contractual or other responsibilities using the non-contracting Participant's monetary contributions prior to approval of the FMPD by the AUSPAR SC.

7.3. The contracting officers will insert into prospective contracts (and require its contractors to insert in subcontracts) suitable provisions to satisfy the requirements of this PA, including SECTION 7 (CONTRACTING) and SECTION 9 (USE OF INFORMATION), and of the Agreement, including Article 8 (Exchange and use of information), Article 9 (Security, release, and transmission of information), and Article 12 (Third party sales and transfers). During the contracting process, the contracting officers will advise prospective contractors of their responsibility to immediately notify the contracting agency, before contract award, if they are subject to any license or agreement that will restrict their freedom to disclose information or permit its use. The contracting officers will also advise prospective contractors to employ their best efforts not to enter into any new agreement or arrangement that will result in restrictions.

7.4. In the event the contracting officers are unable to secure adequate rights to satisfy the requirements of this PA and of the Agreement, including to use and disclose information as required by Article 8 (Exchange and use of information), and Article 9 (Security, release, and transmission of information) or is notified by contractors or potential contractors of any restrictions on the disclosure and use of information, the matter will be referred to the AUSPAR SC for resolution. No new contracts will be placed until the AUSPAR SC has mutually determined the consequences of the failure to secure adequate rights or of any such restrictions and resolved the matter in conformity with the responsibilities set out in the Agreement.

7.5. The contracting officers will immediately advise the PD's of any cost growth, schedule change, or performance problems of any contractor for which the contracting officers are responsible.

7.6. Upon mutual determination of the AUSPAR SC and consistent with SECTION 3 (OBJECTIVE), a Participant may contract for the unique national requirements of the other Participant.

7.7. The transfer of export-controlled information furnished by one Participant will be authorized by the government of the furnishing Participant only to those contractors of the other Participant who will limit the end use of the Information received for the sole purpose of furthering the purposes authorized under this PA. The Participants will establish legal arrangements with their contractors to require that their contractors do not retransfer or otherwise use export-controlled information for any purpose other than the purposes authorized under the Agreement and this PA. Such legal arrangements will also provide that the contractor will not re-transfer the export-controlled information to another contractor without the government of the furnishing Participant's consent.

SECTION 8 CLAIMS

8.1. Claims arising under any contract awarded pursuant to this PA will be resolved in accordance with the provisions of the contract. The contracting Participant will not indemnify contractors against third party liability claims, unless otherwise mutually determined in writing by the Participants. The Participants will share any cost of such contract claims as follows:

- 8.1.1. For contracts where one Participant contracts solely on its own behalf, the Participant awarding the contract will pay the cost of claims arising under such contracts.
- 8.1.2. For contracts where one Participant contracts on behalf of the other Participant, the Participant on whose behalf the contract was awarded will pay the cost of claims arising under such contracts.
- 8.1.3. For contracts awarded on behalf of both Participants, the cost of claims under such contracts will be shared in the same ratio as they share the Financial Costs under this PA.

8.2. Each Participant will be responsible for responding to claims of intellectual property rights infringement made on its territory and will consult during the handling and prior to any settlement of such claims, including the apportionment of any associated costs. Each Participant will provide all reasonable assistance to respond to such claims as requested.

SECTION 9 USE OF INFORMATION

9.1. The exchange and use of all Background Information and all Foreground Information under this PA will be in accordance with Article 8 (Exchange and use of information) of the Agreement. The Participants have mutually determined that implementation of this PA does not require the release of any privately owned information "for information purposes" by either Participant and accordingly no privately owned information will be released by either of the Participants to the other Participant under Article 9 paragraph 5 of the Agreement.

9.2. However, unless the providing Participant otherwise determines, where the use of Background Information is necessary to enable the use of Foreground Information such Background Information may be used for Defense Purposes.

9.3. The disclosure and use of Background Information and Foreground Information containing Background Information may be subject to further restrictions by the holders of intellectual property rights in that information. Before a Participant transfers such information to a contractor or Contractor Support Personnel, the Participant will ensure that its contractor and Contractor Support Personnel have entered into all necessary and appropriate arrangements (such as, but not limited to, non-disclosure agreements) directly with the entity that owns such information or otherwise holds intellectual property rights in such information.

9.4. Any disclosure or transfer of Foreground or Background Information to contractors will be consistent with the Participants' respective export-control laws and regulations.

SECTION 10 SPECIAL ARRANGEMENTS

The assignment of U.S. DOD CPP is planned to enhance teamwork and to meet the objectives of this PA. The duties and responsibilities of this CPP will be defined in the Project plan and the assignment will be in accordance with ANNEX A (Cooperative Project Personnel).

SECTION 11 PROJECT EQUIPMENT

11.1. Project Equipment to be transferred will be documented in a list to this PA in the format provided in ANNEX B to this PA. The list will be prepared and maintained by the PDs as updates to ANNEX B of this PA prior to the transfer of any Project Equipment.

11.2. For the purposes of this PA, Project Equipment transferred under this PA may, with the written permission of the providing Participant, be subject to technical upgrades by the receiving Participant during the period of the transfer.

11.3. Project Equipment will remain the property of the providing Participant. The receiving Participant will maintain any such Project Equipment in good order, repair, and operable condition and return the items in as good condition as received, normal wear and tear excepted, unless the providing Participant has consented in writing, before transfer, that the Project Equipment may be expended or otherwise consumed in connection with this PA without reimbursement to the providing Participant. The receiving Participant will pay to the providing Participant the replacement value, as computed pursuant to the providing Participant's national laws, regulations and procedures, of any returnable Project Equipment that is lost or destroyed beyond economical repair.

11.4. All Project Equipment that is transferred will be used by the receiving Participant only for the purposes of carrying out the activities under this PA. In addition, in accordance with Article 12 (Third party sales and transfers) of the Agreement, Project Equipment will not be re-transferred to a Third Party without the prior written consent of the providing Participant.

11.5. The providing Participant will deliver Project Equipment to the receiving Participant at a mutually determined location. Possession of and responsibility for the Project Equipment will pass from the providing Participant at the time of receipt of the Project Equipment. Any further transportation is the responsibility of the receiving Participant.

11.6. The providing Participant will furnish the receiving Participant such information as is necessary to enable the Project Equipment to be used. If the Participants mutually determine that specific training is required for use of the

Project Equipment, they will mutually determine the conditions for the provision of such training.

11.7. Unless otherwise mutually determined by the Participants, Project Equipment transferred to one Participant under this PA will be returned to the providing Participant prior to the termination or expiration of this PA. The receiving Participant will return the Project Equipment at its expense to the providing Participant at a mutually determined location. Possession of and responsibility for the Project Equipment will pass from the receiving Participant to the providing Participant at the time of receipt of the Project Equipment. Any further transportation is the responsibility of the providing Participant.

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

11.9. Project Equipment that is jointly acquired is subject to the following provisions unless otherwise mutually determined by the Participants:

11.9.1. Any Project Equipment which is jointly acquired on behalf of both Participants for use under this PA will be disposed of before this PA ceases, as mutually determined by the Participants.

11.9.2. Jointly acquired Project Equipment will remain the property of both Participants in the same ratio as they share the Financial Costs under this PA.

11.9.3. The Participant who has custody of the jointly acquired Project Equipment will maintain such jointly acquired Project Equipment in good order, repair and operable condition, normal wear and tear excepted.

11.9.4. If jointly acquired Project Equipment is damaged or lost while in the custody of a Participant, the provisions of paragraph 11.3 will apply.

11.9.5. Where a person or entity, other than the Participants, damages jointly acquired

Project Equipment, and the cost of making good such damage to the Project Equipment is not recoverable from such person or entity, the Participants will share such costs in ratios as mutually determined by the Participants.

- 11.9.6. Disposal of jointly acquired Project Equipment may include a transfer of the interest of one Participant in the Project Equipment to the other Participant, or the sale or transfer of such Project Equipment to a Third Party in accordance with Article 12 (Third party sales and transfers) of the Agreement. The Participants will share the consideration from jointly acquired Project Equipment transferred or sold in the same ratio as their Financial Costs are shared under this PA unless otherwise mutually determined by the Participants.

SECTION 12 PROJECT DIRECTORS

12.1. The following (or equivalent in the event of re-organization) are designated as the AUSPAR SC Representatives:

12.1.1. U.S. DOD Co-Chair
MPM, Above Water Sensors
Program Executive Office
Integrated Warfare Systems (PEO IWS 2)
1333 Isaac Hull Avenue
South East Stop 2318
Washington Naval Yard
Washington DC 20376 - 2318

12.1.2. Australian DOD Co-Chair
Director General
Electronic Warfare Branch
R2-6-A081
Russell Offices
Canberra, ACT 2600

12.2. The following (or equivalent in the event of reorganization) are designated as PDs, or their designated deputies:

12.2.1. U.S. DOD PD
Director, Above Water Sensors
Program Executive Office,
Integrated Warfare Systems (PEO IWS 2DEP)
1333 Isaac Hull Avenue,
South East Stop 2318,
Washington Navy Yard,
Washington DC 20376-2318

12.2.2. Australian DOD PD
Director, Maritime EW Systems
Electronic Warfare Branch
R2-6-A028
Department of Defence
Russell Offices
Canberra, ACT 2600

12.3. Project reviews will be conducted by the AUSPAR SC on an annual basis or as mutually determined, and by the PDs or designated deputies at least twice a year or as mutually determined.

SECTION 13 CLASSIFICATION

13.1. The highest level of classified information which may be exchanged under this PA is Secret. The PDs will prepare a Project Security Instruction and a Classification Guide within three months of PA signature for AUSPAR SC approval.

13.2. The existence of this PA is unclassified and the contents are unclassified.

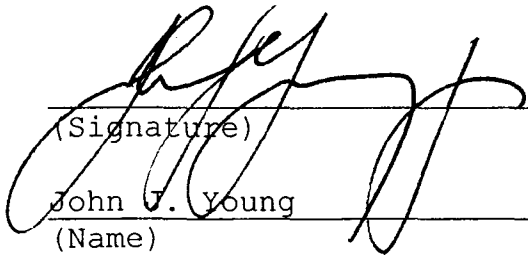
SECTION 14 TERMINATION

14.1. This PA may be terminated at any time by written mutual determination of the Participants. Alternatively it may be terminated by either Participant giving the other written notice of its intention to terminate it, in which case it will terminate 90 days after the giving of such notice.

14.2. If the Agreement is terminated prior to the expiration or termination of this PA, the provisions of the Agreement will continue to apply in respect to this PA until such time as this PA expires or is terminated.

14.3. This PA will come into effect on signature by both Participants and will remain in effect for seven years unless earlier terminated. This PA may be extended by written mutual determination.

FOR THE UNITED STATES
DEPARTMENT OF DEFENSE:



(Signature)
John J. Young

(Name)

Assistant Secretary of the Navy
(Research, Development, and
Acquisition)

(Title)

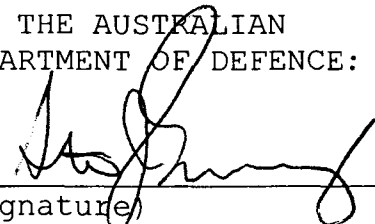
11 APRIL 2005

(Date)

Washington, D.C.

(Location)

FOR THE AUSTRALIAN
DEPARTMENT OF DEFENCE:



(Signature)
STEPHEN J GUMLEY

(Name)

CHIEF EXECUTIVE OFFICER
DEFENCE MATERIEL ORGANISATION.

(Title)

21st April 2005.

(Date)

CANBERRA AUSTRALIA.

(Location)

ANNEX A

COOPERATIVE PROJECT PERSONNEL

1.0. Purpose and Scope.

1.1. This Annex establishes the provisions for the conduct of Cooperative Project Personnel. Either Participant may assign military members or civilian employees to the other Participant's facilities (both military and contractor) in accordance with SECTION 10 (SPECIAL ARRANGEMENTS) of the PA and this Annex. Cooperative Project Personnel will be able to perform all the responsibilities for the positions assigned to them under this PA. Commencement of assignments will be subject to any requirements that may be imposed by either Participant regarding acceptance of Cooperative Project Personnel, such as, but not limited to, visas and visit request documentation. The U.S. DOD and Australian DOD AUSPAR SC representatives will mutually determine the length of tour for the positions at the time of initial assignment.

1.2. Cooperative Project Personnel will be assigned to the other Participant's Project Office, field activity, or contractor facility for Project work and will report to their designated supervisor within those organizations regarding that work. Cooperative Project Personnel will not act as liaison officers for their parent Participant. However, such personnel may act from time to time on behalf of their AUSPAR SC representative if the latter so authorizes in writing.

1.3. Cooperative Project Personnel 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.

2.0. Security.

2.1. The U.S. DOD and Australian DOD AUSPAR SC representatives will establish the maximum level of security clearance required to permit Cooperative Project Personnel to have access to Classified Information and facilities in which Classified Information is used in accordance with the PA and the Agreement. Access to Classified Information and facilities in which Classified Information is used will be consistent with, and limited by, SECTION 3 (OBJECTIVE) and SECTION 4 (TECHNICAL

SCOPE) of this PA and the corresponding provisions of this Annex, and will be kept to the minimum required to accomplish the work assignments.

2.2. The Participants will cause security assurances to be filed, through their respective embassies, specifying the security clearances for the Cooperative Project Personnel being assigned. The security assurances will be prepared and forwarded through prescribed channels in compliance with established host Participant procedures.

2.3. The Participants will use their best efforts to ensure that both U.S. DOD and Australian DOD personnel assigned to the Project Office or field activities are aware of, and comply with, applicable laws and regulations pertaining to Controlled Unclassified Information and Classified Information as well as the requirements of SECTION 8 (USE OF INFORMATION) of this PA, the applicable provisions of the Agreement, and the corresponding provisions of this Annex.

2.4. Cooperative Project Personnel will at all times be required to comply with the security laws, regulations, and procedures of the host Participant, as briefed in accordance with paragraph 3.2 of this Annex. Any violation of security procedures by Cooperative Project Personnel during their assignment will be reported to their parent Participant for appropriate action. Cooperative Project Personnel committing willful violations of security laws, regulations, or procedures during their assignments will be withdrawn from the Project with a view toward appropriate administrative or disciplinary action by their parent Participant.

2.5. All Classified Information made available to Cooperative Project Personnel will be considered as Classified Information furnished to the U.S. DOD or Australian DOD and will be subject to all of the provisions and safeguards provided for in this PA, this Annex, and the Agreement.

2.6. Cooperative Project Personnel will not have personal custody of Classified Information or Controlled Unclassified Information, unless approved by the host Participant PO and as authorized by the parent Participant on a case-by-case basis. They will be granted access to such information during normal duty hours when access is necessary to perform Project work.

2.7. Cooperative Project Personnel will not serve as a conduit between the U.S. DOD and Australian DOD for requests for

and/or transmission of Classified Information or Controlled Unclassified Information unless specifically authorized by the PO's.

3.0. Administrative Matters.

3.1. Consistent with host Participant's laws and regulations, Cooperative Project Personnel will be subject to the same restrictions, conditions, and privileges as host Participant personnel of comparable rank and in comparable assignments. Further, to the extent authorized by the host Participant's laws and regulations, Cooperative Project Personnel and their authorized dependents will be accorded:

- 3.1.1. Exemption from any host Participant tax upon income received from the parent Participant.
- 3.1.2. Exemption from any host Participant customs and import duties or similar charges levied on items entering the country for their official or personal use, including their baggage, household effects, and private motor vehicles.

3.2. Upon or shortly after arrival, Cooperative Project Personnel will be informed by the Project Office or host Participant about applicable laws, regulations, policies and procedures and the need to comply with them. Cooperative Project Personnel will also be provided briefings arranged by the Project Office or host Participant regarding applicable entitlements, privileges, and obligations such as:

- 3.2.1. Any medical and dental care that may be provided to Cooperative Project Personnel and their dependents at the host Participant's medical facilities, subject to applicable laws and regulations, including reimbursement requirements.
 - 3.2.2. Purchasing and patronage privileges at military commissaries, exchanges, theaters, and clubs for Cooperative Project Personnel and their dependents, subject to applicable laws and regulations.
-
- 3.2.3. Responsibility of Cooperative Project Personnel and those dependents accompanying them to obtain motor vehicle liability insurance

coverage in accordance with laws and regulations applicable in the area where they are residing. In case of claims involving the use of private motor vehicles by Cooperative Project Personnel and their dependents, the recourse will be against such insurance.

3.3. The PO's will establish standard operating procedures for Cooperative Project Personnel in the following areas:

- 3.3.1. Working hours, including holiday schedules.
- 3.3.2. Leave authorization, consistent to the extent possible with the military or civilian personnel regulations and practices of both Participants.
- 3.3.3. Dress regulations, consistent to the extent possible with the military or civilian personnel regulations and practices of both Participants.
- 3.3.4. Performance evaluations, recognizing that such evaluations must be rendered in accordance with the providing Participant's military or civilian personnel regulations and practices.

3.4. Cooperative Project Personnel committing an offense under the laws of the government of either Participant may be withdrawn from this Project with a view toward further administrative or disciplinary action by the parent Participant. Disciplinary action, however, will not be taken by the host Participant against Cooperative Project Personnel, nor will Cooperative Project Personnel exercise disciplinary authority over host Participant personnel. In accordance with the host Participant's laws, regulations, policies and procedures, the host Participant will assist the parent Participant in carrying out investigations of offenses involving Cooperative Project Personnel.

ANNEX B

PROJECT EQUIPMENT

Project Equipment transferred from one Participant to the other Participant will be documented by the PDs in the following manner. This Annex will be updated and maintained by the PDs. Any transfer, upgrade, maintenance, handling, disposal, loss, damage, or other issues relating to Project Equipment will be in accordance with Section 11 (PROJECT EQUIPMENT) of this PA and Article 10 (Loan of materials, supplies, and equipment) of the Agreement.

Providing Participant	Receiving Participant	QTY	Description	Part/ Stock #	Consumables\ Non-Consumables	Approx Value	Loan Period