

**DEFENSE**

**Future Force Interoperability**

**Memorandum of Understanding  
Between the  
UNITED STATES OF AMERICA  
and CANADA**

Signed at Ottawa and Washington  
August 29 and September 2, 2008

*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.”

**CANADA**

**Defense: Future Force Interoperability**

*Memorandum of understanding signed  
at Ottawa and Washington  
August 29 and September 2, 2008;  
Entered into force September 2, 2008.  
With annexes.*

MEMORANDUM OF UNDERSTANDING

BETWEEN

THE DEPARTMENT OF DEFENSE  
OF THE UNITED STATES OF AMERICA

AND THE

DEPARTMENT OF NATIONAL DEFENCE OF  
CANADA

CONCERNING  
COOPERATION ON

FUTURE FORCE INTEROPERABILITY  
(Short Title: Future Force Interoperability (FFI) MOU)

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## INTRODUCTION

The Department of Defense of the United States of America (U.S. DoD) and the Department of National Defence of Canada (CA DND), hereinafter referred to as the "Participants":

Recognizing the Agreement between the Government of the United States of America and the Government of Canada Concerning Certain Mutual Defense Commitments, which entered into force on December 1, 1995 (Chapeau Agreement);

Recognizing the General Security Agreement between Canada and the United States of America of January 30, 1962, and including the Industrial Security Annex thereto, of February 8, 1985 (GSA);

Recognizing the Agreement Concerning Security Measures for the Protection of Classified Information between the Governments of Canada and the United States of America, which entered into force November 7, 2002 (Security Agreement);

Recognizing the World Trade Organization Agreement on Trade-related Aspects of Intellectual Property Rights of April 15, 1994;

Recognizing the NATO Agreement for Mutual Safeguarding of Secrecy of Inventions Relating to Defense and for Which Applications for Patents Have Been Made, done in Paris on September 21, 1960, and its Implementing Procedures; and

Having a common interest in defense;

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

Desiring to improve their mutual conventional defense capabilities through the application of emerging technology;

Having a mutual interest in the design, analysis, development, test, and evaluation of the land force systems to satisfy national interoperability requirements;

Having independently conducted research and exploratory development related to Future Force Interoperability (FFI), recognize the benefits of cooperation in FFI programs of mutual interest; and

Desiring to carry out cooperative research, design, analysis, development, test, and evaluation of FFI efforts to address their respective needs;

Have reached the following understandings:

SECTION I  
DEFINITIONS OF TERMS AND ABBREVIATIONS

The Participants have jointly decided upon the following definitions of terms and abbreviations used in this MOU:

ACTD	Advanced Concept Technology Demonstration.
Background Information	Information not generated in the performance of a Future Force Interoperability (FFI) Activity.
Command and Control, Communications, Computing, Intelligence, Surveillance, and Reconnaissance (C4ISR)	The doctrine and concepts, the connectivity, the information systems, the sensors, and the tools required to effectively support command through the timely attainment of trusted and relevant information.
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. This Information may be in oral, visual, magnetic, electronic, or documentary form or in the form of material, equipment, or technology.
Contract	Any mutually binding legal relationship under national laws that obligate 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 that has the authority to enter into, administer, or terminate Contracts.
Contracting Officer	A person representing a Contracting Agency of a Participant who has the authority to enter into, administer, or terminate Contracts.

Contractor	Any entity awarded a Contract by a Participant's Contracting Agency.
Contractor Support Personnel	Persons specifically identified as providing administrative, managerial, scientific, or technical support services to a Participant under a support Contract.
Controlled Unclassified Information	Unclassified Information to which access or distribution limitations have been applied in accordance with applicable national laws or regulations. It could include Information that has been declassified but remains controlled.
Cooperative Project Personnel (CPP)	Military members or civilian employees of a Parent Participant assigned to a facility of the Host Participant who perform managerial, engineering, technical, administrative, Contracting, logistics, financial, planning, or other functions in furtherance of any Project Arrangement (PA).
Defense Purposes	Manufacture or other use in any part of the world by or for the armed forces of either Participant.
Designated Security Authority (DSA)	The security authority designated by national authorities to be responsible for the coordination and implementation of national industrial security aspects of this MOU.
Equipment and Material	Any material, equipment, end item, subsystem, component, Special Tooling, or test equipment jointly acquired or provided for use in a PA or an E&MTA.
Equipment and Material Transfer Arrangement (E&MTA )	An implementing arrangement under this MOU that specifies the terms of collaboration on a specific Equipment and Material transfer not part of a specific PA.
FFI Activity	Any activity in support of Section III (SCOPE OF WORK) of this MOU.
Financial Costs	PA or E&MTA costs met with monetary contributions.
Foreground Information	Information generated in the performance of an FFI Activity.



Future Force Interoperability (FFI)	A cooperative program aimed at enhancing interoperability between U.S. DoD and CA DND capabilities that also permits cooperation on warfighting requirements and challenges, and complementary efforts/development for mutually beneficial needs across the domains of doctrine, organization, training and materiel, leader development, personnel, and facilities. This may include, but is not limited to, battle command, C4ISR, system architectures, Sustainment, unmanned systems, Modeling and Simulation, training capabilities, lethality, survivability, and mobility.
Host Participant	The Participant whose nation serves as the location where CPP are assigned for duty pursuant to a PA under this MOU.
Information	Knowledge that can be communicated by any means, 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 tape, computer memory, or any other form, and whether or not subject to Intellectual Property rights.
Intellectual Property	In accordance with the World Trade Organization Agreement on Trade-related Aspects of Intellectual Property Rights of April 15, 1994, all copyright and related rights, all rights in relations to inventions (including Patent rights), all rights in registered and unregistered trademarks (including service marks), registered and unregistered designs, undisclosed Information (including trade secrets and know-how), layout designs of integrated circuits, and geographical indications, and any other rights resulting from creative activity in the industrial, scientific, literary, and artistic fields.
Modeling and Simulation (M&S)	The use of a data processing system to represent selected behavioral characteristics of a physical or abstract system. A model is a physical or a mathematical representation of a real world entity, phenomenon, or process. A simulation is the implementation of a model over time.
Non-Financial Costs	PA or E&MTA costs met with non-monetary contributions.

Participant	A signatory to this MOU represented by its military and civilian personnel. Contractors and Contractor Support Personnel will not be representatives of a Participant under this MOU.
Parent Participant	The Participant that sends its CPP to the nation of the other Participant pursuant to a PA under this MOU.
Patent	Grant by any Government or a regional office acting for more than one Government of the right to exclude others from making, using, importing, selling, or offering to sell 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 Arrangement (PA)	An implementing arrangement concluded after this MOU has entered into effect that specifies the provisions for an FFI Activity between the Participants.
Project Invention	Any invention in any field of technology, providing it is new, involves an inventive step, is capable of industrial application, and is 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.
Prospective Contractor	Any entity that seeks to enter into a Contract awarded by a Participant's Contracting Agency and that, in the case of a solicitation involving the release of export-controlled Information, is eligible to receive such Information.

**Special Tooling**

Jigs, dies, fixtures, molds, patterns, tapes, gauges, other equipment and manufacturing aids, and all components of these items, that 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.

**Sustainment**

Sustainment is the capacity of a military force to maintain its operational capability for the duration required to achieve its tasks. Sustainment consists of the continued supply of consumables, maintenance and replacement of combat and non-combat attrition of equipment, military civil engineering services, health services support, and personnel support services including replacements.

**Third Party**

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

## SECTION II

### OBJECTIVES

#### 2.1 The objectives of this MOU are:

- 2.1.1 To develop and implement a program of cooperation on mutually determined topics related to FFI. This includes research, design, technology development, test and evaluation, operational research and analysis, System Development and Demonstration (SDD), and follow-on development. The specific level of cooperation will be determined through discussions conducted by the Participants under this MOU, consistent with their respective national interests.
- 2.1.2 To enhance interoperability by cooperating on warfighting concept and capability development, where mutually beneficial, in the areas of doctrine, organization, training, materiel, leader development, personnel, and facilities. This may include, but is not limited to, battle command, C4ISR, system architectures, Sustainment, unmanned systems, M&S, training capabilities, lethality, survivability, and mobility.

## SECTION III

### SCOPE OF WORK

- 3.1 The work to be carried out under this MOU includes, but is not limited to:
  - 3.1.1 establishing a foundation to maximize FFI through personnel and organizational interaction between the Participants;
  - 3.1.2 facilitating and conducting cooperative conceptualization, research, experimentation, design, analysis, development, test, and evaluation of land force capabilities;
  - 3.1.3 promoting a common understanding of each other's capabilities, limitations, and operating environments;
  - 3.1.4 providing a mechanism for Information exchange and cooperation on land warfare innovations, emerging concepts, and technology;
  - 3.1.5 providing guidance to enhance current, emerging, and future forces; and
  - 3.1.6 sharing strategies to develop network interoperability across the spectrum of conflict.
- 3.2 Specific areas of potential FFI Activity are outlined in Annex A (POTENTIAL AREAS OF FFI ACTIVITY) to this MOU. These areas of potential FFI Activity will be consistent with paragraph 3.1 of this Section.
- 3.3 The following mechanisms will be used to undertake the FFI Activities described in this Section:
  - 3.3.1 Information Exchange:
    - 3.3.1.1 Information exchange will take place on an equitable basis as mutually determined by the Participants in all areas concerning FFI Activities. This MOU permits the exchange of Information for any purpose under the scope of this MOU, including, but not limited to, harmonization and alignment of FFI capability requirements of the Participants and the formulating, developing, and negotiating of any FFI Activity. Information exchange need not necessarily coincide in time or technical field.
    - 3.3.1.2 Computer databases, computer software, or computer software documentation associated with FFI Activities may be transferred under

this MOU in accordance with national procedures, subject to the following limitations:

3.3.1.2.1 Such transfers must be necessary or useful to the conduct of the FFI Activities as determined by the providing Participant; and

3.3.1.2.2 Such transfers may occur only when the providing Participant has obtained national authority for such release. Such release may be subject to restrictions on use imposed by the providing Participant.

3.3.2 Working Groups (WGs):

WGs may be established to explore, study, and report on specific FFI issues. A WG will be limited in scope to a well-defined area and will endeavor to assess the FFI issue based on Information provided by both Participants in such a way as to arrive at a jointly determined position within a set time limit. Each WG will have its own written Terms of Reference (TOR) prepared in accordance with Annex E (MODEL WORKING GROUP (WG) TERMS OF REFERENCE (TOR)) to this MOU.

3.3.3 PAs:

Each PA will be subject to the terms of this MOU concerning the objectives, scope of work, sharing of tasks, management, financial arrangements, security classification, Equipment & Material transfer, entry into effect, duration, and termination, and any other provisions, as required. PAs will conform to the format in Annex B (MODEL PROJECT ARRANGEMENT) to this MOU.

3.3.4 Technology Demonstrations:

The Participants recognize that it may be to their mutual advantage to conduct technology demonstrations (such as ACTDs, technology insertions, technology exploitation initiatives, etc.) to evaluate evolving technology and FFI concepts. The plan for the demonstrations will be documented in a PA.

3.3.5 E&MTAs:

The Participants recognize that it may be necessary or desirable to transfer Equipment and Material for the purpose of implementing this MOU. When E&MTs are performed outside of a PA, the Participants may execute an E&MTA in accordance with Annex C (MODEL EQUIPMENT AND MATERIAL TRANSFER ARRANGEMENT) to this MOU.

3.3.6 Familiarization Visits:

Familiarization visits may occur, in accordance with Section X (VISITS TO ESTABLISHMENTS) of this MOU.

3.3.7 CPP:

CPP may be assigned pursuant to a PA under this MOU to a facility of the other Participant and will report to their designated supervisor regarding that work.

## SECTION IV

### MANAGEMENT (ORGANIZATION AND RESPONSIBILITY)

- 4.1 FFI Activities will be directed and administered on behalf of the Participants by an organization consisting of a Steering Committee (SC), Project Managers (PMs), and Project Officers (POs) appointed by the Participants. The SC will have overall authority over the PMs, in accordance with this MOU. The PMs will have primary responsibility for effective implementation and efficient management of FFI Activities, and direction of POs for subsequently developed PAs. The Participants may assign military or civilian employees to serve as CPPs in support of PAs.
- 4.2 The SC will consist of the U.S. Army's Program Manager Future Combat Systems (Brigade Combat Team (PM FCS (BCT))), and the CA DND Director General Land Equipment Program Management (DGLEPM). The SC will meet annually, with additional meetings held at the request of either representative. Each meeting of the SC will be chaired by the representative of the Participant hosting the meeting. The Participants will alternate hosting the SC meetings, unless otherwise mutually determined. The host Participant will provide administrative support for the meeting at its own expense. 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. Ongoing FFI Activities will continue to be implemented without interruption under the direction of the PMs pending resolution of the issue by a higher authority. The SC's responsibilities include, but are not limited to:
- 4.2.1 Exercising executive-level oversight;
  - 4.2.2 Reviewing the status reports submitted by the PMs;
  - 4.2.3 Maintaining oversight of the security aspects of this MOU;
  - 4.2.4 Maintaining oversight of Contracting activities under this MOU;
  - 4.2.5 Resolving issues brought forth by the PMs;
  - 4.2.6 Reviewing and forwarding to the Participants for approval recommended amendments to this MOU in accordance with Section XVII (AMENDMENT, TERMINATION, ENTRY INTO EFFECT, AND DURATION) of this MOU;
  - 4.2.7 Reviewing and forwarding to the Participants recommendations for the establishment of PAs and E&MTAs;



- 4.2.8 Approving the establishment of WGs and their TOR in accordance with Annex E (WORKING GROUPS (WG) TERMS OF REFERENCE (TOR)) to this MOU;
  - 4.2.9 Employing its best efforts to resolve, in consultation with the export control authorities of the Participants concerned, any export control issues raised by the PM in accordance with subparagraph 4.3.12 of this Section, or raised by a Participant's SC representative in accordance with subparagraph 8.1.2.4 of Section VIII (DISCLOSURE AND USE OF INFORMATION) of this MOU.
  - 4.2.10 Reviewing progress of PAs and E&MTAs;
  - 4.2.11 Monitoring Third Party sales and transfers authorized in accordance with Section XII (THIRD PARTY SALES AND TRANSFERS) of this MOU;
  - 4.2.12 Approving the assignment and duties of CPP; and
  - 4.2.13 Approving changes to Annex A (POTENTIAL AREAS OF FFI ACTIVITY) to this MOU.
- 4.3 Program offices will be established in the United States and Canada to manage FFI Activities. The PM FCS (BCT) will appoint the U.S. PM, and the DGLEPM will appoint the Canadian PM, both of whom will be responsible for oversight of FFI Activities under this MOU. The PMs will be responsible for:
- 4.3.1 Managing the day-to-day activities associated with this MOU;
  - 4.3.2 Establishing WGs, approving their TOR, and keeping the SC informed of FFI Activities;
  - 4.3.3 Recommending FFI Activities, as described in Section III (SCOPE OF WORK) of this MOU, to the SC for approval;
  - 4.3.4 Maintaining the list of potential areas of FFI Activity in Annex A (POTENTIAL AREAS OF FFI ACTIVITY) to this MOU as referred to in paragraph 3.2 of Section III (SCOPE OF WORK) of this MOU, including additions to and deletions from the list, and providing to the SC changes to the list for approval;
  - 4.3.5 Developing and maintaining lists of all Equipment and Material provided by one Participant to the other for FFI Activities;
  - 4.3.6 Approving PA Project Officers (POs) or E&MTA Points of Contact (POC) plans for the transfer of Equipment and Material provided by a Participant in accordance with Section VII (EQUIPMENT AND MATERIAL TRANSFERS) of this MOU;

- 4.3.7 Approving PO plans for the disposal of jointly acquired Equipment and Material under this MOU in accordance with Section VII (EQUIPMENT AND MATERIAL TRANSFERS) of this MOU;
  - 4.3.8 Approving Financial Management Procedure Document (FMPD) submitted by the POs for their respective PAs;
  - 4.3.9 Developing and recommending amendments to this MOU and its Annexes to the SC and maintaining a record of any approved amendments to this MOU and its Annexes;
  - 4.3.10 Ensuring appointment of project security officers;
  - 4.3.11 Ensuring development of and forwarding to the SC a Project Security Instruction (PSI) and a Security Classification Guide (SCG) for the MOU within three months after signature of the MOU, and implementing them upon final approval by the respective DSAs;
  - 4.3.12 Monitoring export control arrangements required to implement this MOU and, if applicable, referring immediately to the SC any export control issues that could adversely affect the implementation of this MOU;
  - 4.3.13 Providing status reports to the SC;
  - 4.3.14 Implementing actions as directed by the SC; and
  - 4.3.15 Referring issues to the SC that cannot be resolved by the PMs.
- 4.4 For each PA, the Participants will each appoint one PO. The PO will be responsible for:
- 4.4.1 Managing and executing the cost, schedule, performance requirements, and technical and financial aspects in accordance with Section VII (FINANCIAL PROVISIONS) of the PA;
  - 4.4.2 Maintaining a list of all equipment and/or material transferred by either Participant under a PA;
  - 4.4.3 Appointing a PA security officer;
  - 4.4.4 Ensuring development of, and forwarding to, the PMs the SCG for the PA and any proposed updates to the MOU PSI within three months after signature of a PA, and implementing updates upon final approval by the respective DSAs;

- 4.4.5 Developing, if required, the FMPD for approval by the PMs; and
  - 4.4.6 Transmitting a final report through the PMs to the SC six months before the termination date for each PA;
  - 4.4.7 Any other duties as specified in the PA; and
  - 4.4.8 Referring issues to the PMs that cannot be resolved by the POs.
- 4.5 WGs may be established by the PMs in accordance with subparagraph 3.3.2 of Section III (SCOPE OF WORK) of this MOU. WGs will consist of representatives from the Participants. Decisions will be made unanimously. The location and chairmanship of the WG meetings will alternate between the Participants, unless otherwise mutually determined, with the hosting Participant providing, without charge, appropriate meeting facilities, including security and administrative support. WGs will be responsible for:
- 4.5.1 Developing and submitting to the PMs for approval a TOR (Annex E, MODEL WORKING GROUP (WG) TERMS OF REFERENCE (TOR) to this MOU) and any required changes;
  - 4.5.2 Recommending potential FFI Activities through the PMs for review and endorsement to the SC;
  - 4.5.3 Interacting with and providing Information to other WGs, as directed by the PMs; and
  - 4.5.4 Referring issues to the PMs that cannot be resolved at the WG level.

## SECTION V

### FINANCIAL PROVISIONS

- 5.1 This MOU itself creates no financial responsibilities regarding individual PAs or other FFI Activities except as stated in this Section.
- 5.2 The following costs will be borne entirely by the Participant incurring the costs or on whose behalf the costs are incurred:
  - 5.2.1 Costs associated with national representation at meetings by non-SC members.
  - 5.2.2 Costs associated with any unique national requirement identified by a Participant.
  - 5.2.3 Any other costs not expressly stated as shared costs or any costs that are outside the scope of FFI Activity.
- 5.3 Each Participant will contribute its equitable share of the full costs of each PA, including overhead costs, administrative costs, and cost of claims, and will receive an equitable share of the results of each PA. The contributions may be Financial Costs, Non-Financial Costs, or both.
- 5.4 The financial and non-financial arrangements for each PA under this MOU, including the total cost of the PA and each Participant's share of the total cost, will be stated in each PA.
- 5.5 The PO will be responsible for establishing the detailed financial management procedures where required for a PA. Where required, these procedures, which must accord with the national accounting and audit requirements of the Participants, will be detailed in a FMPD prepared by the PO and subject to the approval of the PM. Each Participant will fund each PA in accordance with the estimated schedule of financial contributions contained in the FMPD.
- 5.6 Each Participant will perform, or have performed, its tasks and will use its best efforts to perform the tasks within the cost estimates specified in each PA. Each Participant will bear the full costs it incurs for performing, managing, and administering its own activities under this MOU and participation in each PA, including its share of the costs of any Contracts awarded pursuant to paragraph 5.10 of this Section.
- 5.7 For all PAs that involve CPP assignments, the PA will address the financial and non-financial contributions and associated support services including, but not limited to office space, security services, information technology services, communications services, and supplies.

5.8 The costs of CPP assigned to a facility of the other Participant will be borne as follows:

5.8.1 The Parent Participant will bear the costs of all pay and allowances of its CPP. Where CPP are assigned to a facility of the Host Participant, the Host Participant will bear the following costs including, but not limited to, CPP assignment-related administrative and support services costs such as CPP costs of travel incurred in support of PA efforts, CPP-related training costs, office space, security services, information technology services, communications services, and supplies.

5.8.2 The Parent Participant will bear the following CPP-related costs:

5.8.2.1 All pay and allowances of its CPP assigned to a facility of the other Participant;

5.8.2.2 Transportation of its CPP, CPP dependents, and their personal property to the facility of the other Participant prior to commencement of the CPP assignment in the facility of the other Participant, and return transportation of the foregoing from the facility of the other Participant upon completion or termination of the CPP assignment; and

5.8.2.3 Compensation for loss of, or damage to, the personal property of its CPP or CPP dependents, subject to the laws and regulations of the Parent Participant's Government.

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

5.10 The Participants recognize that in fulfilling their contracting responsibilities under Section VI (CONTRACTING PROVISIONS) of this MOU, it may become necessary for one Participant to incur contractual or other obligations for the benefit of the other Participant or both of the Participants prior to receipt of the other Participant's funds. In the event that one Participant incurs such obligations, the other Participant so benefited will make such funds available in such amounts and at such times as may be required by the Contracts or other obligation and will pay its equitable share of any damages and costs that may accrue from the performance of or cancellation of the Contracts or other obligation in advance of the time such payments, damages, or costs are due.

## SECTION VI

### CONTRACTING PROVISIONS

- 6.1 If either Participant determines that Contracting is necessary to fulfill that Participant's responsibilities under Section III (SCOPE OF WORK) of this MOU, that Participant will contract in accordance with its respective national laws, regulations, and procedures.
- 6.2 When one Participant individually contracts to perform a task under this MOU on its own behalf and not on behalf of the other Participant, it will be solely responsible for its own Contracting, and the other Participant will not be subject to any liability arising from such Contracts without its prior written consent.
- 6.3 For all Contracting activities performed by either Participant for the benefit of the other Participant or both Participants, the SC will review statements of work prior to the issuance of solicitations to ensure that they are in accordance with this MOU. The Contracting Officer will keep the SC advised of all significant developments associated with award and performance of PA or E&MTA Contracts, and will keep the SC advised of all financial arrangements with the prime Contractor.
- 6.4 A Participant may on behalf of the other Participant engage its Contracting Agency in the event that Contracting on behalf of the other Participant or both Participants is required to implement an FFI Activity. The Contracting Agency so used will place Contracts in accordance with its respective national laws, regulations, and procedures with such waivers and deviations its procedures permit and as deemed necessary to implement the provisions. Sources from both Participants' industries will be allowed to compete on an equal basis for such Contracts. The Contracting Participant's Contracting Officer will be the exclusive source for providing contractual direction and instructions to the Contractors.
- 6.5 Each Participant's Contracting Agency will insert into its prospective Contracts (and require its Contractors to insert in subcontracts) suitable provisions to satisfy the requirements of this MOU, including Section VIII (DISCLOSURE AND USE OF INFORMATION), Section IX (CONTROLLED UNCLASSIFIED INFORMATION), Section XI (SECURITY), Section XII (THIRD PARTY SALES AND TRANSFERS), and Section XVII (AMENDMENT, TERMINATION, ENTRY INTO EFFECT, AND DURATION) of this MOU, and including export control provisions in accordance with this MOU, in particular paragraphs 6.6. and 6.7 of this Section. Each Participant's Contracting Agency will negotiate to obtain the rights to use and disclose Information required by Section VIII (DISCLOSURE AND USE OF INFORMATION) of this MOU. During the Contracting process, each Participant will also advise Prospective Contractors of their responsibility to notify immediately their respective Participant's Contracting Agency, before Contract award, if they are subject to

any license or agreement that will restrict their Government's freedom to disclose Information or permit its use, and to employ their best efforts not to enter into any new agreement or arrangement that will result in restrictions.

- 6.6 Each Participant will legally bind its Contractors to a requirement that the Contractor will not retransfer or otherwise use export-controlled Information furnished by the other Participant for any purpose other than the purposes authorized under this MOU. The Contractor will also be legally bound not to retransfer the export-controlled Information to another Contractor or subcontractor unless that Contractor or subcontractor has been legally bound to limit use of the Information to the purposes authorized under this MOU. Export-controlled Information furnished by one Participant under this MOU may only be retransferred by the other Participant to its Contractors if the legal arrangements required by this paragraph have been established.
- 6.7 Each Participant will legally bind its Prospective Contractors to a requirement that the Prospective Contractor will not retransfer or otherwise use export-controlled Information furnished by the other Participant for any purpose other than responding to a solicitation issued in furtherance of the purposes authorized under this MOU. Prospective Contractors will not be authorized use for any other purpose if they are not awarded a Contract. The Prospective Contractors also will be legally bound not to retransfer the export-controlled Information to a prospective subcontractor unless that prospective subcontractor has been legally bound to limit use of the export-controlled Information for the purpose of responding to the solicitation. Export-controlled Information furnished by one Participant under this MOU may only be retransferred by the other Participant to its Prospective Contractors if the legal arrangements required by this paragraph have been established. Upon request by the furnishing Participant, the receiving Participant will identify its Prospective Contractors and prospective subcontractors receiving such export-controlled Information.
- 6.8 In the event a Participant's Contracting Agency is unable to secure adequate rights to use and disclose Information as required by Section VIII (DISCLOSURE AND USE OF INFORMATION) of this MOU, or is notified by Contractors or Prospective Contractors of any restrictions on the disclosure and use of Information, that Participant's Contracting Agency will refer the matter to the SC for resolution.
- 6.9 Each Participant's SC representative will promptly advise the other Participant's representative of any anticipated or actual cost growth, schedule changes, delay, or performance problems under any Contract for which its Contracting Agency is responsible.
- 6.10 Upon mutual consent, consistent with Section II (OBJECTIVES) of this MOU, a Participant may contract for the unique national requirements of the other Participant.

## SECTION VII

### EQUIPMENT AND MATERIAL TRANSFERS

- 7.1 Each Participant may provide Equipment and Material identified as being necessary for executing the MOU to the other Participant. Equipment and Material will remain the property of the providing Participant. A list of all Equipment and Material provided by one Participant to the other will be developed and maintained by the PM. If the Equipment and Material is provided pursuant to a PA, the PA will provide specific details of any transfer of Equipment and Material. Equipment and Material identified at the time of PA signature will be specified in the PA as set out in Annex B (MODEL PROJECT ARRANGEMENT) to this MOU. Equipment and Material that cannot be identified at the time of PA signature will be documented, when identified, in a list to be developed and maintained by the POs. Approval for all E&MTAs will be in accordance with national procedures.
- 7.2 For E&MTAs concluded pursuant to Annex C (MODEL EQUIPMENT AND MATERIAL TRANSFER ARRANGEMENT) to this MOU, each Participant may transfer, without charge to the other Participant, Equipment and Material, in accordance with Annex C (MODEL EQUIPMENT AND MATERIAL TRANSFER ARRANGEMENT) to this MOU. The receiving Participant of the Equipment and Material will provide to the other Participant without charge, a final report.
- 7.3 The receiving Participant will maintain any such Equipment and Material in good order, repair, and operable condition. Unless the providing Participant has authorized the Equipment and Material to be expended or otherwise consumed without reimbursement to the providing Participant, the receiving Participant will return the Equipment and Material to the providing Participant in as good condition as received, normal wear and tear excepted, or return the Equipment and Material and pay the cost to restore it. If the Equipment and Material is damaged beyond economical repair, the receiving Participant will return the Equipment and Material to the providing Participant (unless otherwise specified in writing by the providing Participant) and pay the replacement value specified in the PA or E&MTA to this MOU, which will be computed pursuant to the providing Participant's national laws and regulations. If the Equipment and Material is lost while in the custody of the receiving Participant, the receiving Participant will issue a certificate of loss to the providing Participant and pay the replacement value as computed pursuant to the providing Participant's national laws, regulations, and procedures. If known at the time of entry into effect, the replacement value of the Equipment and Material will be specified in the PA or E&MTA.
- 7.4 The providing Participant will deliver Equipment and Material to the receiving Participant at a mutually determined location. Possession of the Equipment and Material will pass from the providing Participant to the receiving Participant at the



time of receipt of the Equipment and Material. Any further transportation is the responsibility of the receiving Participant.

- 7.5 All Equipment and Material that is transferred will be used by the receiving Participant only for the purposes of carrying out the respective PA or E&MTA, unless otherwise consented to in writing by the providing Participant. In addition, in accordance with Section XII (THIRD PARTY SALES AND TRANSFERS) of this MOU, Equipment and Material will not be re-transferred or sold to a Third Party without the prior written consent of the providing Participant.
- 7.6 Except as provided for in paragraphs 7.7 and 7.8 of this Section, Equipment and Material transferred to one Participant under a PA or E&MTA will be returned to the providing Participant prior to the termination or expiration of that PA or E&MTA.
- 7.7 Any Equipment and Material that is jointly acquired on behalf of both Participants for use under a PA will be disposed of during the PA or when the PA ceases, as determined by the PMs.
- 7.8 Disposal of jointly acquired Equipment and Material may include a transfer of the interest of one of the Participants in such Equipment and Material to the other Participant, or the sale of such Equipment and Material to a Third Party, in accordance with Section XII (THIRD PARTY SALES AND TRANSFERS) of this MOU. The Participants will share the consideration from jointly acquired Equipment and Material transferred or sold to a Third Party in the same ratio as costs are shared under that PA.
- 7.9 The receiving Participant will provide written notice of consumption or expenditure of Equipment and Material approved for such consumption or expenditure. In the event the intended consumption or expenditure does not occur, the receiving Participant will, unless otherwise determined by the providing Participant, return the Equipment and Material, at its expense, to the providing Participant to the location mutually determined in the PA or E&MTA. Any further transportation is the responsibility of the providing Participant.

## SECTION VIII

### DISCLOSURE AND USE OF INFORMATION

#### 8.1 General

- 8.1.1 Both Participants recognize that successful collaboration depends on full and prompt exchange of Information necessary for carrying out FFI Activities. The Participants intend to acquire sufficient Information and rights to use such Information to enable the FFI Activities of this MOU. The nature and amount of Information to be acquired will be consistent with the objectives stated in Section II (OBJECTIVES) and Section III (SCOPE OF WORK) of this MOU.
- 8.1.2 The following export control provisions will apply to the transfer of Information:
- 8.1.2.1 Transfer of Information will be consistent with furnishing Participant's applicable export control laws and regulations.
- 8.1.2.2 Unless otherwise restricted by duly authorized officials of the furnishing Participant at the time of transfer to the other Participant, all export-controlled Information furnished by one Participant to the other Participant may be retransferred to the other Participant's Contractors, subcontractors, Prospective Contractors, and prospective subcontractors, subject to the requirements of paragraphs 6.6 and 6.7 of Section VI (CONTRACTING PROVISIONS) of this MOU.
- 8.1.2.3 Export-controlled Information may be furnished by Contractors, subcontractors, Prospective Contractors, and prospective subcontractors of one Participant's nation to the Contractors, subcontractors, Prospective Contractors, and prospective subcontractors of the other Participant's nation pursuant to this MOU, subject to the conditions established in licenses or other approvals issued by the Government of the former Participant in accordance with its applicable export control laws and regulations.
- 8.1.2.4 If a Participant finds it necessary to exercise a restriction on the retransfer of export-controlled Information as set out in subparagraph 8.1.2.2 of this Section, it will promptly inform the other Participant. If a restriction is then exercised and the affected Participant objects, that Participant's SC representative will promptly notify the other Participant's SC representative and they will immediately consult in order to discuss ways to resolve such issues or mitigate any adverse affects.

8.2 **Information Exchange:** The disclosure and use provisions that govern exchange of Information authorized in subparagraphs 3.3.1 and 3.3.6 of Section III (SCOPE OF WORK) of this MOU, are as follows:

8.2.1 **Disclosure:** Each Participant, upon request, will disclose to the other Participant any Information, provided:

8.2.1.1 Such Information is necessary to or useful in a FFI Activity, with the disclosing Participant determining whether it is “necessary to” or “useful in” the FFI Activity.

8.2.1.2 Such Information may be made available without incurring liability to holders of proprietary rights.

8.2.1.3 Disclosure is consistent with national disclosure policies and regulations of the disclosing Participant.

8.2.1.4 Any disclosure or transfer of such Information to Contractors is consistent with the furnishing Participant’s export control laws and regulations.

8.2.2 **Use:** Information disclosed by one Participant to the other may be used without charge by or for the other Participant for information and evaluation purposes (including harmonizing the Participants’ respective requirements and for formulating, developing, and negotiating potential PAs or E&MTAs), and for FFI Activity purposes. Written permission from the furnishing Participant will be required for any other use.

8.3 **Government Foreground Information.**

8.3.1 **Disclosure:** All Foreground Information generated by a Participant’s military or civilian employees (hereinafter referred to as “Government Foreground Information”) will be disclosed promptly and without charge to the Participants.

8.3.2 **Use:** Each Participant may use or have used all Government Foreground Information without charge for Defense Purposes. The Participant generating Government Foreground Information will also retain all its rights of use thereto. Any sale or other transfer to a Third Party will be subject to the provisions of Section XII (THIRD PARTY SALES AND TRANSFERS) of this MOU.

8.4 **Government Background Information.**

8.4.1 **Disclosure:** Each Participant, upon request, will disclose promptly and

without charge to the other Participant any relevant Background Information generated by its military or civilian employees (hereinafter referred to as "Government Background Information"), provided that:

- 8.4.1.1 Such Government Background Information is necessary to or useful in the FFI Activity, with the Participants in possession of the Information determining, after consulting with the requesting Participant, whether it is "necessary to" or "useful in" the FFI Activity.
  - 8.4.1.2 Such Government Background Information may be made available only if the rights of holders of Intellectual Property rights are not infringed.
  - 8.4.1.3 Disclosure of such Government Background Information is consistent with national disclosure policies and regulations of the furnishing Participant.
  - 8.4.1.4 Any disclosure or transfer of such Government Background Information to Contractors is consistent with the furnishing Participant's export control laws and regulations.
- 8.4.2 Use: Government Background Information furnished by one Participant to the requesting Participant may be used without charge by or for the requesting Participant for that FFI Activity purpose. However, subject to Intellectual Property rights held by entities other than the Participants, such Government Background Information may be used for an FFI Activity purpose by the requesting Participant, without charge, when such Information is necessary for the use of project Foreground Information. The furnishing Participant, in consultation with the other Participant, will determine whether the Government Background Information is necessary for the use of project Foreground Information. The furnishing Participant will retain all its rights with respect to such Government Background Information.

## 8.5 Contractor Foreground Information.

- 8.5.1 Disclosure: Foreground Information generated and delivered by Contractors (hereinafter referred to as "Contractor Foreground Information") will be promptly disclosed without charge to both Participants.
- 8.5.2 Use: Each Participant may use or have used without charge for Defense Purposes all Contractor Foreground Information generated and delivered by Contractors of the Participants. The Participant whose Contractors generate and deliver Contractor Foreground Information will also retain all its rights of use thereto in accordance with the applicable Contracts. Any sale or other transfer to a Third Party of Contractor Foreground Information will be subject to the

provisions of Section XII (THIRD PARTY SALES AND TRANSFERS) of this MOU.

#### 8.6 Contractor Background Information.

8.6.1 Disclosure: Background Information generated or owned by a Contractor is hereinafter referred to as "Contractor Background Information". A Contracting Participant will make available to the other Participant promptly and without charge all Contractor Background Information generated by Contractors that is delivered under Contracts awarded in accordance with this MOU. Any other Background Information that is generated by Contractors and that is in the possession of one Participant will be made available promptly and without charge to the other Participant, upon its request, provided the following conditions are met:

8.6.1.1 Such Contractor Background Information is necessary to or useful in the project, with the Participant in possession of the Information determining, after consultation with the requesting Participant, whether it is "necessary to" or "useful in" the FFI Activity.

8.6.1.2 Such Contractor Background Information may be made available only if the rights of holders of Intellectual Property rights are not infringed.

8.6.1.3 Disclosure of such Contractor Background Information is consistent with national disclosure policies and regulations of the furnishing Participant.

8.6.1.4 Any disclosure or transfer of such Contractor Background Information to Contractors is consistent with the furnishing Participant's export control laws and regulations.

8.6.2 Use: All Contractor Background Information delivered by Contractors under Contracts awarded in accordance with this MOU and its FFI Activities may be used by or for the receiving Participant, without charge, for that FFI Activity, subject to any restrictions by holders of Intellectual Property rights other than the Participants. Any other Contractor Background Information furnished by one Participant's Contractors and disclosed to a requesting Participant may be used without charge by the requesting Participant for that FFI Activity, subject to any restrictions by holders of Intellectual Property rights other than the Participants; also, when necessary for the use of project Foreground Information, such other Contractor Background Information may be used by the requesting Participant for FFI Activities, subject to such fair and reasonable terms as may be necessary to be arranged with the Contractor. The furnishing Participant, in consultation with the requesting Participant, will determine whether such other Contractor Background Information is necessary for the use of project Foreground Information. The furnishing Participant will retain all its rights with respect to Contractor Background Information.

## 8.7 Jointly Generated Foreground Information.

8.7.1 Disclosure: All jointly generated Foreground Information generated under an FFI Activity will be disclosed to both Participants promptly and without charge.

8.7.2 Use: Each Participant generating or receiving jointly generated Foreground Information may use or have used such Information without charge only for its Defense Purposes unless mutually decided otherwise in writing.

8.7.3 Information generated by WGs will be treated as jointly generated Foreground Information, unless otherwise decided by the SC.

## 8.8 Alternative Uses of Information.

8.8.1 Any Background Information provided by one Participant will be used by the other Participant only for the purposes set forth in this MOU, unless otherwise consented to in writing by the providing Participant.

8.8.2 The prior written consent of each Participant will be required for the use of Foreground Information for purposes other than those provided for in this MOU.

## 8.9 Proprietary Information.

8.9.1 All Information subject to disclosure and use restrictions with respect to Intellectual Property rights will be identified and marked, and it will be handled as Controlled Unclassified Information or as Classified Information, depending on its security classification.

8.9.2 The provisions of the NATO Agreement on the Communication of Technical Information for Defence Purposes, signed at Brussels on October 19, 1970, and the Implementing Procedures for NATO Agreement on the Communication of Technical Information for Defence Purposes, approved by the North Atlantic Council on January 1, 1971, (or any successor agreement and procedures), will apply to Information that is subject to Intellectual Property rights.

## 8.10 Patents.

8.10.1 Each Participant will include in all its Contracts for any FFI Activity a provision governing the disposition of rights in regard to Project Inventions and Patent rights relating thereto, which either:

8.10.1.1. Provides that the Participant will hold title to all such Project Inventions together with the right to make Patent applications for the same, free of encumbrance from the Contractor concerned; or

- 8.10.1.2 Provides that the Contractor will hold title (or may elect to retain title) for such Project Inventions together with the right to make Patent applications for the same, while securing for the Participants a license for the Project Inventions, and any Patents thereto, on terms in compliance with the provisions of subparagraph 8.9.2 of this Section.
- 8.10.2 In the event that a Contractor owns title (or elects to retain title) to any Project Invention, the Contracting Participant will secure for the other Participant a non-exclusive, irrevocable, royalty-free license under all Patents secured for that invention, to practice or have practiced the patented Project Invention throughout the world for Defense Purposes.
- 8.10.3 The provisions of subparagraphs 8.10.4 through 8.10.7 of this Section will apply in regard to Patent rights for all Project Inventions made by each Participant's military or civilian employees, including those within government-owned facilities, and for all Project Inventions made by Contractors for which the Contracting Participant holds title or is entitled to acquire title.
- 8.10.4 When a Participant has or can secure the right to file a Patent application with regard to a Project Invention, that Participant will consult with the other Participant regarding the filing of such Patent application. The Participant that has or receives title to such Project Invention may, 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, Patent applications covering that Project Invention. A Participant will immediately notify the other Participant that a Patent application has been filed. If a Participant, having filed or caused to be filed a Patent application, abandons prosecution of the application or ceases maintaining the Patent granted or issued on the application, that Participant will notify the other Participant of that decision and permit the other Participant to continue the prosecution or maintain the Patent as the case may be.
- 8.10.5 Each Participant will be furnished with copies of Patent applications filed and Patents granted with regard to Project Inventions.
- 8.10.6 Each Participant will grant to the other Participant a non-exclusive, irrevocable, royalty-free license under its Patents for Project Inventions, to practice or have practiced the Project Invention throughout the world for Defense Purposes.
- 8.10.7 Patent applications to be filed, or assertions of other Intellectual Property rights under this MOU that contain Classified Information, will be protected and safeguarded in a manner no less stringent than the requirements contained in the NATO Agreement for Mutual Safeguarding of Secrecy of Inventions Relating to Defense and for Which Applications for Patents Have Been Made, done in Paris on September 21, 1960, and its Implementing Procedures (or any successor agreement and procedures).

- 8.11 Each Participant will notify the other Participant of any Intellectual Property infringement claims brought against that Participant arising in the course of work performed under an FFI Activity on behalf of the other Participant. Insofar as possible, the other Participant will provide Information available to it that may assist in defending such claims. Each Participant will be responsible for handling such Intellectual Property infringement claims brought against it, and will consult with the other Participant during the handling, and prior to any settlement, of such claims. The Participants will share the costs of resolving such Intellectual Property infringement claims in proportion to their financial contributions for that work specified in Section V (FINANCIAL PROVISIONS) of this MOU or the relevant PA.
- 8.12 The Participants will, as permitted by their national laws, regulations, policies, and procedures, give their authorization and consent to the other Participant for all use and manufacture in the course of work performed under the FFI Activity of any invention covered by Patent, or as determined to be necessary for work under FFI Activities, authorization and consent for copyright, granted or otherwise provided 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 according to Section VIII (DISCLOSURE AND USE OF INFORMATION) of this MOU.
  - 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 of this Section and will be subject to the provisions of Section XII (THIRD PARTY SALES AND TRANSFERS) of this MOU.
  - 9.1.3 Each Participant will take all lawful steps available to it, including national classification, to keep such Information free from further disclosure (including requests under any legislative provisions), except as provided in subparagraph 9.1.2 of this Section, unless the originating Participant consents in writing 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 provisions, 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 to ensure its "in confidence" nature. The Participants export-controlled Information will be marked in accordance with the applicable Participant's export control markings as documented in the SCG. The Participants will also decide, in advance and in writing, on the markings to be placed on any other types of Controlled Unclassified Information and describe such markings in the PSI.
- 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 of this Section.
- 9.4 Prior to authorizing the release of Controlled Unclassified Information to Contractors, the Participants will ensure the Contractors are legally bound to control such Information in accordance with the provisions of this Section.

## SECTION X

### VISITS TO ESTABLISHMENTS

- 10.1 Each Participant will permit visits to its Government establishments, agencies and laboratories, and Contractor industrial facilities by employees of the other 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 the security regulations of the hosting 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 to the established visit procedures of the hosting Participant. Requests for visits will bear the name of this MOU and the applicable FFI Activity.
- 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 provided or generated pursuant to this MOU will be stored, handled, transmitted, and safeguarded in accordance with applicable security agreements.
- 11.2 Classified Information will be transferred only through official government-to-government channels approved by the DSAs of the Participants. Such Classified Information will bear the level of classification and denote the country of origin, the provisions for release, and the fact that the Information relates to this MOU and the applicable FFI Activity.
- 11.3 Each Participant will take all lawful steps available to it to ensure that Classified Information provided or generated pursuant to this MOU is protected from further disclosure, except as permitted by paragraph 11.8 of this Section, unless the other Participant consents to such disclosure. Accordingly, each Participant will ensure that the recipient:
  - 11.3.1 Will not release the Classified Information to any government, national, organization, or any other entity of a Third Party without the prior written consent of the originating Participant in accordance with the procedures set forth in Section XII (THIRD PARTY SALES AND TRANSFERS) of this MOU;
  - 11.3.2 Will not use the Classified Information for other than the purpose provided for in this MOU; and
  - 11.3.3 Will comply with any distribution and access restrictions on Classified Information that are 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 provided or generated pursuant to this MOU has been lost or disclosed to unauthorized persons. Each Participant also will promptly and fully inform the other Participant of the details of any such occurrence, and of the final results of the investigation, and of the corrective action taken to preclude recurrence.
- 11.5 The PM will prepare a PSI and an SCG for the MOU. The PSI and the SCG will describe the methods by which Information will be classified, marked, used, transmitted, and safeguarded and will require that markings for all export-controlled Classified Information will include the applicable export control markings identified in the PSI in accordance with paragraph 9.2 of Section IX (CONTROLLED UNCLASSIFIED INFORMATION) of this MOU. The PSI and SCG will be developed by the PM within three months after this MOU enters into effect. They

will be reviewed and forwarded to the Participant's respective DSAs for approval and will be applicable to all government and Contractor personnel participating in the Project. The SCG will be subject to regular review and revision with the aim of downgrading the classification whenever this is appropriate. The PSI and the SCG will be approved by the appropriate DSA prior to the transfer of any Classified Information or Controlled Unclassified Information.

- 11.6 The DSA of the Participant that awards a classified Contract pursuant to FFI Activities of this MOU will assume responsibility for administering within its territory security measures for the protection of the Classified Information, in accordance with its national laws and regulations. Prior to the release to a Contractor, Prospective Contractor, or subcontractor of any Classified Information received or generated under this MOU, the DSA or their designees will:
  - 11.6.1 Ensure that such Contractor, Prospective Contractor, subcontractor (and their facilities) have the capability to protect the Classified Information adequately.
  - 11.6.2 Grant a security clearance to the facilities, if appropriate.
  - 11.6.3 Grant a security clearance for all personnel whose duties require access to Classified Information, if appropriate.
  - 11.6.4 Ensure that all persons having access to the Classified Information are informed of their responsibilities to protect the Classified Information in accordance with national security laws and regulations, and provisions of this MOU.
  - 11.6.5 Carry out periodic security inspections of cleared facilities to ensure that the Classified Information is properly protected.
  - 11.6.6 Ensure that access to the Classified Information is limited to those persons who have a need to know for the purposes of the MOU.
- 11.7 Contractors, Prospective Contractors, subcontractors, or prospective sub-contractors 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 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. 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 is to be used, the responsible Participant or Contractor will approve the appointment of a person or persons to

exercise effectively the responsibilities for safeguarding at such facility the Information pertaining to this MOU. These officials will be responsible for limiting access to Classified Information 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 is limited to those persons who possess requisite security clearances and have a specific need for access to the Classified Information in order to participate in this MOU.
- 11.10 The Participants recognize that certain Classified Information, both Foreground and Background, may be subject to special security measures, which will be mutually determined and recorded in the PSI.
- 11.11 Information provided or generated pursuant to this MOU may be classified as high as SECRET. Information exchanged or generated pursuant to an FFI Activity may, on a case-by-case basis, be classified as high as TOP SECRET. All Classified Information provided or generated under this MOU will be consistent with the national disclosure policies of the Participants. The existence of this MOU is UNCLASSIFIED and the contents are UNCLASSIFIED. The classification of the existence of any PA or E&MTA and its contents will be stated in that PA or E&MTA.

## SECTION XII

### THIRD PARTY SALES AND TRANSFERS

- 12.1 Except to the extent permitted in paragraph 12.2 of this Section, the Participants will not sell, transfer title to, disclose, or transfer possession of Foreground Information, jointly acquired or produced Equipment and Material, or any item produced either wholly or in part from Foreground Information to any Third Party without the prior written consent of the Government of the other Participant. Furthermore, neither Participant will permit any such sale, disclosure, or transfer, including by the owner of the item, without the prior written consent of the Government of the other Participant. Such consent will not be given unless the Government of the intended recipient consents in writing with the other Participant that it will:
- 12.1.1 Not retransfer, or permit the further retransfer of, any Equipment and Material or Information provided.
  - 12.1.2 Use, or permit the use of, the Equipment and Material or Information provided only for the purposes specified by the Participants.
- 12.2 Each Participant will retain the right to sell, transfer title to, disclose, or transfer possession of Foreground Information, or any item produced wholly from Foreground Information:
- 12.2.1 That is generated solely by either that Participant or that Participant's Contractors in the performance of that Participant's work allocation under Section III (SCOPE OF WORK) of this MOU.
  - 12.2.2 That does not include any Foreground Information or Background Information of the other Participant, and whose generation, test, or evaluation has not relied on the use of Equipment and Material of the other Participant.
- 12.3 In the event questions arise as to whether the Foreground Information (or any item produced either wholly or in part from the Foreground Information) that a Participant intends to sell, transfer title to, disclose, or transfer possession of to a Third Party is within the scope of paragraph 12.2 of this Section, the matter will be brought to the immediate attention of the other Participant. The Participants will resolve the matter prior to any sale or other transfer of such Foreground Information (or any item produced either wholly or in part from the Foreground Information) to a Third Party.
- 12.4 A Participant will not sell, transfer title to, disclose, transfer possession, grant, donate, or transfer usage rights of Equipment and Material or Background Information provided by the other Participant to any Third Party without the prior

written consent of the Government of the Participant that provided such Equipment and Material or Background Information. The providing Participant's Government will be solely responsible for authorizing such transfers and, as applicable, specifying the method and provisions for implementing such transfers.

SECTION XIII

LIABILITY AND CLAIMS

- 13.1 Claims arising under this MOU and any PA will be dealt with under paragraph 1 of the Chapeau Agreement.
- 13.2 Claims arising under any Equipment and Material transfers will be dealt with under paragraph 4 of the Chapeau Agreement.



## SECTION XIV

### PARTICIPATION OF ADDITIONAL NATIONS

- 14.1 The Participants recognize that other national defense organizations may wish to join this MOU.
- 14.2 The 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 Information for evaluation prior to joining. If the disclosure of Information is necessary to conduct discussions, such disclosure will be in accordance with Section VIII (DISCLOSURE AND USE OF INFORMATION), Section IX (CONTROLLED UNCLASSIFIED INFORMATION), Section XI (SECURITY), and Section XII (THIRD PARTY SALES AND TRANSFERS) of this MOU.
- 14.3 The Participants will jointly formulate the provisions under which additional Participants might join this MOU. The addition of new Participants to the MOU will require amendment of this MOU.

## 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 customs duties, import and export 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.
- 15.2 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 on all FFI Activities. If any such customs duties, import and export taxes, or similar charges are levied, the Participant in whose country they are levied will bear such costs over and above that Participant's shared costs of the respective FFI Activity contribution under this MOU.

## SECTION XVI

### SETTLEMENT OF DISPUTES

16.1 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 XVII

### AMENDMENT, TERMINATION, ENTRY INTO EFFECT, AND DURATION

- 17.1 All activities of the Participants under this MOU will be carried out in accordance with their respective national laws and regulations, including their respective export control laws and regulations. The responsibilities of the Participants will be subject to the availability of funds for such purposes.
- 17.2 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 or the applicable PA.
- 17.3 In the event of a conflict between a Section of this MOU, and any Annex to this MOU, or PA or E&MTA under this MOU, the Section of the MOU will control.
- 17.4 Except as otherwise provided, this MOU and any Annex to this MOU, or PA or E&MTA under this MOU, may be amended by the mutual written consent of the Participants. Annex A, and the models in Annexes B, C, D and E to this MOU, may also be amended with the approval of the SC, provided that any such amendment is consistent with this MOU.
- 17.5 This MOU, and any PA or E&MTA under 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 or any arrangement under this MOU, the Participants will consult prior to the date of termination to ensure termination in the most economical and equitable manner.
- 17.6 Either Participant may terminate this MOU, or any PA or E&MTA under this MOU, upon 180 days written notification of its intent to terminate to the other Participant. Such notice will be the subject of immediate consultation by the SC to decide upon the appropriate course of action to conclude the activities under this MOU or the relevant PAs or E&MTAs. In the event of such termination, the following rules apply:
- 17.6.1 The Participant terminating this MOU, or any PA or E&MTA under this MOU, and the other Participant, will continue participation, financial or otherwise, up to the effective date of termination.
- 17.6.2 Except as to Contracts awarded on behalf of both Participants, each Participant will be responsible for its own project-related costs associated with termination of this MOU or any PA or E&MTA under this MOU. For Contracts awarded on behalf of both Participants, the Participant terminating this MOU, or any PA or E&MTA under this MOU, will pay all Contract modification or termination costs that would not otherwise have been incurred but for the decision to terminate; in no event, however, will a terminating Participant's total financial contribution, including Contract termination costs, exceed that Participant's

total financial contribution for the MOU or the PA or E&MTA being terminated, as applicable.

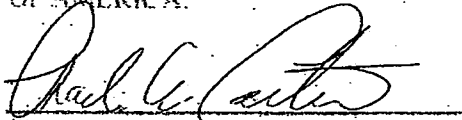
- 17.6.3 All Information and rights therein received under the provision of this MOU and any PA or E&MTA under this MOU prior to the termination of this MOU or any PA or E&MTA will be retained by the Participants, subject to the provisions of this MOU and any PA or E&MTA. Each Participant will make available to the other Participant all Foreground Information generated prior to termination and that has not been provided to the other Participant prior to the termination.
- 17.6.4 Additional termination provisions consistent with this Section may be established in a PA or E&MTA under this MOU.
- 17.7 Termination of this MOU will result in the termination of all arrangements under this MOU.
- 17.8 The respective benefits and responsibilities of the Participants regarding Section VII (EQUIPMENT AND MATERIAL TRANSFERS), Section VIII (DISCLOSURE AND USE OF INFORMATION), Section IX (CONTROLLED UNCLASSIFIED INFORMATION), Section XI (SECURITY), Section XII (THIRD PARTY SALES AND TRANSFERS), Section XIII (LIABILITY AND CLAIMS), Section XVI (SETTLEMENT OF DISPUTES), and this Section XVII (AMENDMENT, TERMINATION, ENTRY INTO EFFECT, AND DURATION) of this MOU will continue to apply notwithstanding termination or expiration of this MOU or any PA or E&MTA under this MOU.
- 17.9 This MOU, which consists of seventeen (17) Sections and five (5) Annexes, will enter into effect on the date of last signature and will remain in effect for twenty (20) years, unless terminated. It may be extended by the written concurrence of the Participants.

The foregoing represents the understandings reached between the Department of Defense of the United States of America and the Department of National Defence of Canada upon the matters referred to herein.

IN WITNESS WHEREOF, the undersigned, being duly authorized by their Governments, have signed this MOU.

DONE, in duplicate, in the English language.

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

  
Signature

MG Charles A. Cartwright  
Name

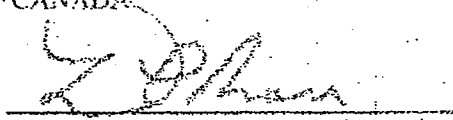
PM, Future Combat Systems (BCF)

Title

*2 Sept 2008*  
Date

Washington, D.C., U.S.A.  
Location

FOR THE DEPARTMENT OF  
NATIONAL DEFENCE OF  
CANADA:

  
Signature

Dan Ross  
Name

Assistant Deputy Minister (Material)

Title

*29 August 2008*  
Date

Ottawa, Canada  
Location

## ANNEX A

### POTENTIAL AREAS OF FFI ACTIVITY

Potential areas of FFI Activity are:

- Command support
- The human dimension domain
- C4ISR, including electronic warfare and net-enabled capabilities
- Autonomous, unattended, and unmanned systems
- Mobility, including combat and support vehicle systems and subsystems
- Firepower and lethality, including munitions and fire control
- Non-lethal weapons and effects
- Force protection and survivability (chemical, biological, radiological and nuclear, vehicles, occupants, dismounted soldiers, and infrastructure)
- Sustainment (includes medical)
- Management and remediation of environmental impacts of operations and training
- Soldier system technologies and soldier-borne capabilities,
- Operational Research and Analysis
- Force generation, including force generation structures
- Capabilities for joint, interagency, multinational, and public (for example, first responders) operations
- System architectures
- M&S, including training (including weapons effects simulation for training)

### DEFINITIONS OF TERMS AND ABBREVIATIONS

The following definitions apply for purposes of the list above:

Command Support	The integrated system of resources necessary to enable command, encompassing the necessary communications, staff, tools, processes, and information management to enable the commander to be successful.
Force Employment	The command, control, and Sustainment of generated forces on operations.
Force Generation	The process of organizing, training, and equipping forces for force employment.

Force Generation Structure

Any structure designed for force generation functions, including field force, training, command and control, support, and infrastructure. Force Generation Structures incorporate current resource limitations and other geographic, environmental, and national (e.g., political) imperatives. It is normally expressed through a mobilization plan.

Non-lethal weapon (NLW)

NLWs are those weapons, munitions, and devices that are explicitly designed and primarily employed for non-lethal effects on personnel with a low probability of permanent injury and for non-lethal effects on equipment with a minimum of undesired damage while respecting the environment. This definition does not include information operations (e.g., jamming, psychological operations, etc.) or any other military capability not designed specifically for the purpose of minimizing fatalities, permanent injury to personnel, and undesired damage to the environment, even though these capabilities may have non-lethal effects (e.g., smoke and illumination).

Operational Research and Analysis

Operational Research and Analysis employs such methodologies as systematic investigation, analytical methods, critical reasoning, applied mathematics, optimization, statistical analysis, decision analysis, risk analysis, expert systems, and M&S in order to arrive objectively at optimal solutions or decisions concerning complex problems, processes, or operations.



ANNEX B

MODEL PROJECT ARRANGEMENT (PA) TO THE  
MEMORANDUM OF UNDERSTANDING BETWEEN  
THE DEPARTMENT OF DEFENSE OF THE UNITED STATES OF AMERICA  
AND  
THE DEPARTMENT OF NATIONAL DEFENCE OF CANADA  
CONCERNING COOPERATION ON FUTURE FORCE INTEROPERABILITY  
DATED \_\_\_\_\_

PROJECT ARRANGEMENT (PA) NO.#-NN-nnnn\*

BETWEEN

DEPARTMENT OF DEFENSE OF THE  
OF THE UNITED STATES OF AMERICA

AND THE

DEPARTMENT OF NATIONAL DEFENCE OF CANADA

CONCERNING

***[FULL TITLE OF THE PA]***

\* *The PA numbers will be structured as follows:*

*#-NN-nnnn where # is the code for the Armed Service; NN is the calendar year, and nnnn is a sequential number.*

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INTRODUCTION

- 1.1 This Project Arrangement (PA) is entered into pursuant to the Memorandum of Understanding between the Department of Defense of the United States of America (U.S. DoD) and the Department of National Defence of Canada (CA DND) Concerning Cooperation on Future Force Interoperability (FFI MOU), which entered into effect on [date], the terms of which are hereby incorporated by reference.

SECTION I

DEFINITION OF TERMS AND ABBREVIATIONS

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

SECTION II

OBJECTIVES

- 2.1 The objectives of this \_\_\_\_\_ PA are:
- 2.1.1 The development of \_\_\_\_\_  
\_\_\_\_\_
- 2.1.2 The improvement of \_\_\_\_\_  
\_\_\_\_\_

SECTION III

SCOPE OF WORK

- 3.1 The following work will be undertaken under this PA.
- 3.1.1 Develop \_\_\_\_\_  
\_\_\_\_\_
- 3.1.2 Evaluate \_\_\_\_\_  
\_\_\_\_\_
- 3.1.3 Design, fabricate, and test \_\_\_\_\_  
\_\_\_\_\_

SECTION IV  
SHARING OF TASKS

4.1 The sharing of tasks will be as follows:

4.1.1 The U.S. DoD will \_\_\_\_\_.

4.1.2 The CA DND will \_\_\_\_\_.

4.1.3 The U.S. DoD and CA DND will jointly \_\_\_\_\_.

4.1.3.x Prepare a final report for transmittal to the Steering Committee (SC).

SECTION V  
BREAK DOWN AND SCHEDULE OF TASKS  
*(OPTIONAL)*

*(Use this format when the tasks covered under this project may be performed using multiple phases, requiring milestones or decision points.)*

5.1 The Project will proceed according to the following phases and schedule. Note that national priorities may pre-empt agreed-upon schedules in PAs.

<u>Phase 1</u>	<u>Start</u> (X = PA signature)	<u>End</u>
Description of Phase 1	X	X + ___ months

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

<u>Phase 2</u>	<u>Start</u>	<u>End</u>
Description of Phase 2	X + ___ months	X + ___ months

*(Add as many phases as necessary.)*

5.2 The final report of this PA will be transmitted to the SC six months before the termination date.

SECTION VI

MANAGEMENT

6.1 This PA will be directed and administered on behalf of the Participants by one Project Officer (PO) from each Participant. The POs are:

U.S. DoD PO:            Title/Position \_\_\_\_\_  
                                 Organization \_\_\_\_\_  
                                 Address \_\_\_\_\_  
                                 \_\_\_\_\_  
                                 \_\_\_\_\_

CA DND PO:            Title/Position \_\_\_\_\_  
                                 Organization \_\_\_\_\_  
                                 Address \_\_\_\_\_  
                                 \_\_\_\_\_  
                                 \_\_\_\_\_

6.2 Project Offices will be established in [*name of U.S. location*] and in [*name of Canadian location*]. The POs are responsible for management of those tasks listed as national responsibilities in Section IV (Sharing of Tasks) in this PA.

6.3 Particular Management Procedures:

***(Mention only those additional management responsibilities not covered under Section IV (MANAGEMENT (ORGANIZATION AND RESPONSIBILITY)) of the FFI MOU.)***

## SECTION VII

### FINANCIAL PROVISIONS

- 7.1 The Participants estimate that the cost of performance of the tasks under this PA will not exceed \_\_\_\_\_ U.S. dollars or \_\_\_\_\_ CA dollars.
- 7.2 Cooperative efforts of the Participants over and above the mutually determined tasks set out in the Section III (SCOPE OF WORK), Section IV (SHARING OF TASKS), and this Section of this PA will be subject to amendment to this PA or signature of a new PA.

*(If a PA will involve the assignment of CPP, the PA will include a provision that refers to paragraphs 5.7 – 5.8 of the MOU, identifies which Participant is sending or hosting CPP, and specifies the number of CPP to be assigned. In addition, the PA will include the amount of financial and non-financial contributions related to CPP in Alternative One of this section.)*

*(If a PA will not involve one Participant Contracting for the other or both Participants, and no funds will be exchanged between the Participants, use the following format for the Financial Arrangements. Both financial and non-financial contributions should be included in the total U.S. DoD and CA DND costs.)*

#### Alternative 1

- 7.3 The U.S. DoD tasks will not cost more than: \_\_\_\_\_ U.S. dollars or \_\_\_\_\_ CA dollars.
- 7.4 The CA DND tasks will not cost more than: \_\_\_\_\_ CA dollars or \_\_\_\_\_ U.S. dollars.

**OR**

*(If a PA will involve one Participant Contracting for the other Participant or both Participants, or the Participants will transfer or exchange funds between them, use the following format for the Financial Arrangements.)*

**Alternative 2**

**(In U.S. Thousands of Dollars)**

	Payment Date	Payment Date	Payment Date	Payment Date	Payment Date	Total
U.S. DoD						
CA DND						

*(Using the above table and whatever description is necessary, explain and demonstrate how the PA will be funded. Identify both financial (funds) and non-financial (for example, use of equipment) contributions and identify the amount of funds to be transferred between the Participants and date of payment, as well as the rate of currency exchange.)*

**(In U.S. Thousands of Dollars)**

	Annual Contribution	Annual Contribution	Annual Contribution	Annual Contribution	Annual Contribution	Total
U.S. DoD						
CA DND						

*Using the above table and whatever description is necessary, note annual contribution by each Participant, both financial and non-financial.*

*(The Financial Management Procedures Document (FMPD), if required, should be developed by the POs and submitted to the PMs for approval. The FMPD should include, as a minimum, schedule, handling, funding levels by year, and auditing procedures for monetary contributions anticipated for this PA.)*

- 7.5 Cooperative efforts of the Participants over and above the mutually determined tasks set out in the Section III (SCOPE OF WORK), Section IV (SHARING OF TASKS), and this Section of this PA will be subject to amendment to this PA or signature of a new PA.

SECTION VIII

CLASSIFICATION

*(Select only one of the four following possibilities:)*

8.1 No Classified Information will be exchanged under this PA.

**OR**

8.1 The highest level of Classified Information exchanged under this PA is CONFIDENTIAL.

**OR**

8.1 The highest level of Classified Information exchanged under this PA is SECRET.

**OR**

8.1 The highest level of Classified Information exchanged under this PA is TOP SECRET.

8.2 The existence of this PA is [insert classification] and its contents are [insert classification].

SECTION IX

PRINCIPAL ORGANIZATIONS INVOLVED

*(List test facilities and other organizations of each Participant.)*

SECTION X

EQUIPMENT AND MATERIAL TRANSFERS

Providing Participant	Receiving Participant	Qty	Description	Part/ Stock #	Consumables/ Non-Consumables	Return Date	Estimated Replacement Value*	Security Classification

**(NOTES:**



**1. In the event that the collaborative efforts under the PA require the provision of Equipment and Material (including test articles) to either Participant, a list of such Equipment and Material must be developed in general accordance with the preceding table.**

**(Equipment and Material that cannot be identified at the time of PA signature will be documented, when identified, in a list to be developed and maintained by the POs in the format above.)**

**2. If jointly acquired Equipment and Material is an aspect of the collaborative efforts under the PA, terms and conditions for the disposal of such jointly acquired Equipment and Material must be included in the PA.**

## SECTION XI

### SPECIAL PROVISIONS

(OPTIONAL)

(Identify any procedures, specifications, or other necessary attributes of the project not delineated in other Sections.)

SECTION XII

ENTRY INTO EFFECT, DURATION, AND TERMINATION

This \_\_\_\_\_ Project Arrangement, a project under the MOU between the Department of Defense of the United States of America and the Department of National Defence of Canada Concerning Cooperation on Future Force Interoperability (FFI MOU) will enter into effect upon signature by authorized representatives of both Participants, and will remain in effect for \_\_\_\_\_ years unless terminated in accordance with the MOU. It may be extended by written concurrence of both Participants.

FOR THE DEPARTMENT OF DEFENSE  
OF THE UNITED STATES OF AMERICA

FOR THE DEPARTMENT OF  
NATIONAL DEFENCE OF CANADA

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Name

\_\_\_\_\_  
Name

\_\_\_\_\_  
Title

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

\_\_\_\_\_  
Location

\_\_\_\_\_  
Location

ANNEX C

MODEL EQUIPMENT AND MATERIAL TRANSFER ARRANGEMENT  
TO THE

MEMORANDUM OF UNDERSTANDING  
BETWEEN  
THE DEPARTMENT OF DEFENSE  
OF THE UNITED STATES OF AMERICA

AND

THE DEPARTMENT OF NATIONAL DEFENCE  
OF CANADA

CONCERNING  
COOPERATION ON FUTURE FORCE INTEROPERABILITY

EQUIPMENT AND MATERIAL TRANSFER ARRANGEMENT

NUMBER (E&MTA-XXXX\*)

BETWEEN

*(Insert titles of the organizations participating in the transfer.)*

FOR THE TRANSFER OF

**(Identify what will be transferred.)**

---

**\*The U.S. Armed Service will assign the E&MTA number.**

## INTRODUCTION

This Equipment and Material Transfer Arrangement (E&MTA) is entered into pursuant to the Memorandum of Understanding between the Department of Defense of the United States of America and the Department of National Defence of Canada Concerning Cooperation on Future Force Interoperability (the "FFI MOU"), dated [*Insert effective date of the FFI MOU*].

SECTION I

DESCRIPTION AND QUANTITY

1.1 The following Equipment and Material will be transferred by the providing Participant to the receiving Participant:

DESCRIPTION AND QUANTITY

Providing Participant	Receiving Participant	Qty	Description	Part/ Stock #	Consumables/ Non-Consumables	Return Date	Estimated Replacement Value*	Security Classification

*(Fill in as appropriate)*

\* Estimated replacement value is a good faith estimate of the replacement value at the time of the loan. Should a loss occur, the actual replacement value will be determined by the providing Participant in consultation with the receiving Participant.

1.2 *(Choose one of the following alternatives, or use both if both situations apply.)*

***Alternative A – Use when return of Equipment and Material is planned.***

None of the Equipment and Material identified in paragraph 1.1 of this Section is intended to be consumed or expended during the course of the E&MTA Activities described in subparagraph 2.1.1 of Section II (PURPOSE) of this E&MTA.

**OR**

***Alternative B – Use when return of Equipment and Material is not planned due to its consumption during the activity.***

The Equipment and Material described in paragraph 1.1 of this Section is intended to be consumed or expended during the course of the E&MTA Activities described in subparagraph 2.1.1 of Section II (PURPOSE) of this E&MTA.

## SECTION II

### PURPOSE

2.1 The purpose of this E&MTA is to support the following FFI Activities:

2.1.1 *[Fill in as appropriate.]*

## SECTION III

### MANAGEMENT AND RESPONSIBILITIES

3.1 Each Participant will establish a point of contact (POC) who will be responsible for implementing this E&MTA.

3.1.1 For the providing Participant the POC is \*

3.1.2 For the receiving Participant the POC is \*

*[Insert the appropriate names, title/office symbols, addresses, and telephone numbers of the individuals assigned to implement the E&MTA.]*

3.2 Responsibilities of the providing Participant:

3.2.1 Transfer of the Equipment and Material: The providing Participant will transfer the Equipment and Material listed above for the duration of the transfer period specified in paragraph 6.1 of Section VI (AMENDMENT AND TERMINATION) of this E&MTA unless extended by mutual written consent.

3.2.2 Equipment and Material Delivery: The providing Participant will deliver the Equipment and Material [**specify arrangements**]. Possession and responsibility for the Equipment and Material will pass from the providing Participant to the receiving Participant at the time of receipt of the Equipment and Material. Any further transportation is the responsibility of the receiving Participant unless otherwise specified in this subparagraph.

3.2.3 Information: The providing Participant will furnish the receiving Participant such Information as is necessary to enable the Equipment and Material to be used in the activities described in subparagraph 2.1.1 of Section II (PURPOSE) of this E&MTA in accordance with Section VIII (DISCLOSURE AND USE OF INFORMATION) of the MOU.

3.3 Responsibilities of the receiving Participant:

3.3.1 Inspection and Inventory: The receiving Participant will inspect and inventory the Equipment and Material upon receipt. The receiving Participant will also inspect and inventory the Equipment and Material prior to its return to the providing Participant, unless the Equipment and Material is consumed in accordance with subparagraph 3.3.2 of Section III (MANAGEMENT AND RESPONSIBILITIES) of this E&MTA.

3.3.2 A final report will be provided to the providing Participant prior to the expiration of this E&MTA.



**3.3.3 [Choose one of the following alternatives, or use both if both situations apply.]**

**Alternative A – Use when return of Equipment and Material is planned.**

Return of Equipment and Material – Upon expiration or termination of the transfer period specified in paragraph 6.1 of Section VI (AMENDMENT AND TERMINATION) of this E&MTA (taking into account any approved extensions by the providing Participant), the receiving Participant will return the Equipment and Material to the providing Participant [**specify arrangements**]. Possession and responsibility for the Equipment and Material will pass from the receiving Participant to the providing Participant at the time of receipt of the Equipment and Material. If the Equipment and Material is lost, unintentionally destroyed, or damaged beyond economical repair while in the custody of the receiving Participant, the receiving Participant will issue a certificate of loss/destruction/irreparable damage to the providing Participant.

**OR**

**Alternative B – Use when return of Equipment and Material is not planned due to its consumption during the activity.**

Consumption of Equipment and Material – It is intended that the receiving Participant will consume the Equipment and Material specified in paragraph 1.1 of Section I (DESCRIPTION AND QUANTITY) of this E&MTA during the course of the activities described in subparagraph 2.1.1 of Section II (PURPOSE) of this E&MTA. If this does occur, the receiving Participant will provide written notice of its consumption to the providing Participant. In the event consumption does not occur prior to the end of the transfer period specified in paragraph 6.1 of Section VI (AMENDMENT AND TERMINATION) of this E&MTA, the receiving Participant will return the Equipment and Material to the providing Participant [**specify arrangements**]. Possession and responsibility for the Equipment and Material will pass from the receiving Participant to the providing Participant at the time of receipt of the Equipment and Material. If the Equipment and Material is lost, unintentionally destroyed, or damaged beyond repair prior to its intended consumption while in the custody of the receiving Participant, the receiving Participant will issue a certificate of loss/destruction/irreparable damage to the providing Participant.

- 3.4 This E&MTA provides only for transfer of Equipment and Material associated with the activities described in subparagraph 2.1.1 of Section II (PURPOSE) of this E&MTA. Signature of this E&MTA does not imply any commitment by a Participant to participate in any activities beyond the E&MTA described herein.

SECTION IV

SPECIAL PROVISIONS

(OPTIONAL)

4.1 *(Insert any special provisions as required.)*

SECTION V

CLASSIFICATION

*[Insert only one of the following paragraphs; note that one of these options must be selected]*

5.1 No classified Equipment and Material will be transferred under this E&MTA.

**OR**

5.1 The highest level of classified Equipment and Material transferred under this E&MTA is CONFIDENTIAL.

**OR**

5.1 The highest level of classified Equipment and Material transferred under this E&MTA is SECRET.

**OR**

5.1 The highest level of classified Equipment and Material transferred under this E&MTA is TOP SECRET.

5.2 The existence of this E&MTA is [insert classification] and its contents are [insert classification].

SECTION VI

AMENDMENT AND TERMINATION

6.1 This \_\_\_\_\_ E&MTA, an E&MTA under the Memorandum of Understanding between the Department of Defense of the United States of America and the Department of National Defence of Canada Concerning Cooperation on Future Force Interoperability, dated \_\_\_\_\_, will enter into effect upon signature by the authorized representatives of both Participants and will remain in effect for \_\_\_\_\_ months unless terminated in accordance with the MOU. It may be extended by written concurrence of the Participants.

FOR THE DEPARTMENT OF  
DEFENSE OF THE UNITED  
STATES OF AMERICA

FOR THE DEPARTMENT OF  
NATIONAL DEFENCE OF  
CANADA

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Name

\_\_\_\_\_  
Name

\_\_\_\_\_  
Title

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

\_\_\_\_\_  
Location

\_\_\_\_\_  
Location

## ANNEX D

### COOPERATIVE PROJECT PERSONNEL (OPTIONAL)

#### ASSIGNMENT OF FUTURE FORCE INTEROPERABILITY COOPERATIVE PROJECT PERSONNEL

##### 1.1 Purpose and Scope:

1.1.1 This Annex establishes the terms and provisions for Cooperative Project Personnel (CPP) assigned for work in accordance with Section III (SCOPE OF WORK) of this MOU. CPP must be able to perform all the responsibilities assigned to them under this MOU and the relevant Project Arrangement (PA). Commencement of assignments will be subject to the requirements that may be imposed by the Host Participant or its Government regarding acceptance of CPP, such as, but not limited to, visas and visit request documentation. The Host Participant and Parent Participant will determine the length of tour for the positions at the time of initial assignment.

1.1.2 CPP will be assigned to work on a specific FFI Activity and will report to a supervisor to be identified by the Host Participant. CPP will not act as liaison officers for their Parent Participant. CPP may act from time to time on behalf of their respective SC member if the latter so authorizes in writing.

1.1.3 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's Government.

##### 2.1 Security:

2.1.1 The Host Participant will establish the level of security clearance required, if any, to permit CPP to have access to Classified Information and facilities in which Classified Information is used in accordance with the PSI and SCGs. Access to Classified Information and facilities in which Classified Information is used will be limited by the scope of the relevant FFI Activity under this MOU.

2.1.2 The Parent Participant will file visit requests for the CPP through prescribed channels in compliance with the Host Participant's procedures. The Participants will cause security assurances to be filed, through their respective embassies, specifying the security clearances for the CPP being assigned. The security assurances will be prepared and forwarded through prescribed channels in compliance with established procedures.

2.1.3 The Host Participant and Parent Participant will use their best efforts to ensure that CPP assigned to a Host Participant's facility to conduct FFI Activities are aware of the requirements of this 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 Government's laws, regulations, policies, or procedures, sign a certification concerning the conditions and responsibilities of CPP, using the model at Appendix 2 (CERTIFICATE OF CPP CONDITIONS AND RESPONSIBILITIES).

2.1.4 CPP will at all times be required to comply with the security and export control laws, regulations, and procedures of the Host Participant's 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 Project with a view toward appropriate administrative or disciplinary action by their Parent Participant.

2.1.5 All Classified Information made available to CPP will be considered as Classified Information furnished to the Parent Participant, and will be subject to all provisions and safeguards provided for in Section XI (SECURITY) of this MOU, the PSI, and SCG.

2.1.6 CPP will not have personal custody of Classified Information or Controlled Unclassified Information unless approved by the Host Participant and as authorized by the Parent Participant. They will be granted access to such Information in accordance with Section IX (CONTROLLED UNCLASSIFIED INFORMATION), Section XI (SECURITY) of this MOU, and the PSI during normal duty hours at the facility and when access is necessary to perform work on all FFI Activities.

2.1.7 CPP assigned to a Host Participant's facility to conduct FFI Activities will not serve as a conduit between the Host Participant and Parent Participant 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 PSI.

### 3.1 Technical and Administrative Matters

3.1.1 Subject to applicable multilateral or bilateral treaties, agreements, and arrangements of the Governments of the Host Participant and the Parent Participant, CPP and their authorized dependents will be accorded:

3.1.1.1 Exemption from any Host Participant Government's tax upon income received from the Parent Participant.

3.1.1.2 Exemption from any Host Participant Government's 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, 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:

3.2.1 Any medical and dental care that may be provided to CPP and their authorized dependents at local medical facilities, subject to the requirements of applicable laws and regulations, including reimbursement when required.

3.2.2 Purchasing and patronage privileges at military commissaries, exchanges, theaters, and clubs for CPP and their authorized dependents, subject to the requirements of applicable laws and regulations.

3.2.3 The Host Participant will provide, if available, housing and messing facilities for CPP and their authorized dependents on the same basis and priority as for its own personnel. CPP will pay for 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, the Parent Participant will make suitable arrangements for its CPP.

3.2.4 Responsibility of CPP and their accompanying dependents to obtain motor vehicle liability insurance coverage in accordance with the laws and regulations 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.

3.3 The Host Participant will, in consultation with the CPP, establish standard operating procedures for CPP 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 and civilian personnel regulations and practices of the Host Participant and Parent Participant.

3.3.3 Dress regulations, consistent to the extent possible with the military and civilian personnel regulations and practices of the Host Participant and Parent Participant.

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

3.3.5 Wearing of a building or installation pass or badge. CPP will be required to wear in clear view, when required by security procedures, a building or

installation pass or badge that clearly identifies the nationality of the CPP. CPP will not be provided nametags, codes, or titles that could imply CPP are other than their own nationality.

- 3.4 CPP committing an offense under the laws of the Government of the Host Participant or Parent Participant may be withdrawn from the 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 CPP, nor will the CPP exercise disciplinary powers over the Host Participant's personnel. In accordance with the laws and regulations of the Host Participant's Government, the Host Participant will assist the Parent Participant in carrying out investigations of offenses involving CPP.
- 3.5 During their assignment, CPP will not be placed in the following duty status or environments unless mutually decided by the Host Participant and the Parent Participant:
  - 3.5.1 Areas of political sensitivity where their presence may jeopardize the interests of either the Host Participant or Parent Participant, or where, in the normal course of their duty, they may become involved in activities that may embarrass either Participant.
  - 3.5.2 Deployments in non-direct hostility situations, such as United Nations peacekeeping or multi-national operations, or third countries.
  - 3.5.3 Duty assignments in which direct hostilities are likely. Should a Host Participant's facility become involved unexpectedly in hostilities, assigned CPP will not be involved in the hostilities. Any such CPP approved by the Host Participant and the 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 Participant and Parent Participant.



## APPENDIX 1

### MODEL COOPERATIVE PROJECT PERSONNEL (CPP) POSITION DESCRIPTION (PD)

1. Position Title: Cooperative Project Personnel – [INSERT TITLE OF PA]
2. Position Location:
3. Security Clearance Level Required for the Position:
4. Qualifications/Skills Required for Position: [*Insert appropriate data, e.g., accredited degree in a scientific or related subject, land staff and/or operational experience in land systems, military specialty similar to a Program Manager and/or acquisition engineering experience*] The CPP will perform the following tasks and responsibilities as mutually determined by the Project Managers (PMs).
5. General Categories of Information to which access will be required: [*Insert appropriate categories, e.g., provided oral and visual access to Information required to perform the duties outlined in this Position Description.*]
6. Description of Specific Duties:
  - a. CPP will be primarily responsible for [*insert responsibilities, e.g., coordinating the administration of the FFI Activity*]. *CPP will require Information access to [insert specific Information access requirements, e.g., research, development, and engineering programs involving manned systems];*
  - b. Identify specific duties;
  - c. Identify anticipated travel requirements and locations;
  - d. Attend technical meetings and symposiums as required in performance of assigned duties;
  - e. Identify reporting requirements (*e.g., provide a monthly summary of the PA activity to which the CPP is assigned*);
  - f. Attend U.S. DoD and CA DND project reviews;
  - g. Provide administrative support and coordination for the SC and other project meetings.

APPENDIX 2  
CERTIFICATION OF COOPERATIVE PROJECT PERSONNEL (CPP)  
CONDITIONS AND RESPONSIBILITIES

1. I understand and acknowledge that I have been assigned to [*name and location of organization to which assigned*] pursuant to Project Arrangement (PA) [insert number and name of respective PA] under the Memorandum of Understanding (MOU) between the Department of Defense of the United States of America and the Department of National Defence of Canada Concerning Cooperation on Future Force Interoperability (FFI), which entered into effect [insert month, day, year]. In connection with this assignment, I further understand, acknowledge, and certify that I will comply with the following provisions and responsibilities:
2. I understand that I have been assigned to work on the specific PA identified in paragraph 1, above, and as described in the Position Description (PD). There will be no access to Information except as required to perform the duties described in the PD for the PA to which I am assigned, as determined by my supervisor and the Project Officer of the [insert the CPP's Parent Participant].
3. I will perform only functions that are properly assigned to me as described in the PD for my assignment and will not act in any other capacity on behalf of my Parent Participant.
4. All Information to which I may have access during this assignment will be treated as Information provided to my Government pursuant to the terms and provisions of the FFI MOU.
5. When dealing with individuals outside of my immediate office of assignment on official matters, I will inform such individuals that I am a foreign Cooperative Project Person.
6. I have been briefed on, understand, and will comply with all applicable security regulations of the Host Participant and the Host Organization; and with all applicable laws and regulations of the Host Participant's Government concerning the protection, release, transfer, or export, both during and after the termination of my assignment, of Intellectual Property Information (such as Patents, copyrights, know-how, and trade secrets), Classified Information, Controlled Unclassified Information, and Information subject to export control laws and regulations, to which access might be granted under the FFI MOU.

7. I will immediately report to the PA Project Officers all unauthorized attempts to obtain from me Classified Information, Controlled Unclassified Information, proprietary information, or Information subject to export control laws and regulations to which I may have access as a result of this assignment.

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Signature

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Name

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Title

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Date

ANNEX E

MODEL WORKING GROUP (WG) TERMS OF REFERENCE (TOR)

TERMS OF REFERENCE (TOR) FOR THE  
(Insert name of WG) WORKING GROUP (WG)

UNDER THE

MEMORANDUM OF UNDERSTANDING

BETWEEN

THE DEPARTMENT OF DEFENSE  
OF THE UNITED STATES OF AMERICA

AND THE

DEPARTMENT OF NATIONAL DEFENCE  
OF CANADA

CONCERNING

COOPERATION ON  
FUTURE FORCE INTEROPERABILITY

DATED [date]

**1. Authority. *Mandatory:*** The Memorandum of Understanding (MOU) between the Department of Defense of the United States of America and the Department of National Defence of Canada Concerning Cooperation on Future Force Interoperability fosters collaboration in order to maximize land force coalition interoperability and provide guidance to enhance current, emerging, and future forces, and potentially leading to new or improved military capability. The MOU provides for the establishment of Working Groups (WGs). This TOR establishes the [insert name of WG] WG.

**2. Definitions and Acronyms.**

**Definitions.** *Provide any required definitions not already provided in the MOU.*

**Acronyms.** *Spell out any required acronyms not already provided in the MOU.*

**3. Purpose.** *Provide a short paragraph identifying the purpose of the WG. A WG will be established to explore, study, and report on specific FFI issues. Examples follow:*

The [insert name of WG] will include activities covering the following areas:

The [insert name of WG] will evaluate...,

monitor...,

identify...,

initiate...,

investigate...,

facilitate...,

... activity beneficial to the Participants.

... and seek technological solutions to those ...

The [insert name of WG] will provide a framework for the exchange of Information, the identification of potential FFI activities, and the harmonization of the Participants' requirements prior to the formal staffing of a potential PA or E&MTA.

***Mandatory:*** Specific collaborative activities will be carried out in accordance with the FFI MOU and relevant PAs and E&MTAs, subject to applicable laws and regulations of the Participants.

**4. Objectives.** *Provide details of the type of work to be accomplished under this TOR. Example follows.*

Information on research conducted by each Participant in the area of [*name specific technology*] technology and its potential for [*identify potential benefit*] will be exchanged and the potential for a PA or E&MTA leading to application of the technology will be discussed.

**Mandatory:** The [insert name of WG] will not duplicate the activities of other organizations or arrangements.

**5. Management Structure.** *Examples follow.*

The [insert name of WG] consists of representatives from [*name organizations*] as principals and other representatives and supporting subject matter experts from [*name organizations*] as appropriate. (*Provide name of organization only. Do not name representatives.*)

Membership in the [insert name of WG] should be consistent with minimal turnover of personnel.

The importance of consultation with other agencies and organizations is recognized. Representatives from specific technology areas may be invited to participate in technical discussions, but will not become members of the [insert name of WG]. They may, however, become members of a sub-group established under this WG for a specific technology area or project.

**Mandatory:** *Identify how often the WG will meet, who will host and chair, and what reports are to be produced.*

Example: WG meetings will be held at intervals as mutually agreed by the members, but at least annually. The Participants will host and chair the meetings on a rotational basis. Minutes will be prepared and provided to [insert name of WG] members and to the Steering Committee (SC) within [specify time] following the meetings. Administrative support for these meetings will be the responsibility of the host Participant.

**Mandatory:** *Identify how decisions will be reached.*

Example: All decisions of the [insert name of WG] will be unanimous.

**Mandatory:** *Identify one U.S. and one Canadian Point of Contact (POC). Include name, mailing address, email address, and phone number.*

**Mandatory:** In accordance with subparagraph 4.2.7 of Section IV ((MANAGEMENT ORGANIZATION AND RESPONSIBILITY)) of the FFI MOU, the PMs of both Participants must approve this TOR.

**6. Exchange of Information. Mandatory:** The [insert name of WG], along with its appropriate supporting subject matter experts, may exchange Information pertaining to [name area of discussion of the WG] activities in accordance with Section III (SCOPE OF WORK) and Section VIII (DISCLOSURE AND USE OF INFORMATION) of the FFI MOU. Information will be furnished without charge and will be used for information and evaluation purposes only.

***Mandatory if exchanging Classified or Controlled Unclassified Information:***

Classified or Controlled Unclassified Information will be transferred only through official government-to-government channels or through channels approved by the Designated Security Authorities of both Participants in accordance with the provisions of Section IX (CONTROLLED UNCLASSIFIED INFORMATION) and Section XI (SECURITY) of the FFI MOU. No Equipment and Material may be transferred under the auspices of the [insert name of WG].

***Mandatory:*** The Participants will produce and maintain a list of written Information exchanged under this TOR. A current list will be submitted annually to the PMs of both Participants.

**7. General. Mandatory:** There will not be any transfer of funds between the Participants pursuant to this TOR. In those cases where a PA or E&MTA is determined to be required, the POCs will make every effort to prepare the necessary documentation and secure the required approvals as expeditiously as possible.

**8. Legal Status. Mandatory:** This TOR constitutes an administrative procedure to coordinate research, development, test, and evaluation activities between the Participants. It is not the intent of the Participants that this TOR be considered legally binding under international law. This TOR does not create any authority to perform any work, award any contract, transfer funds, or otherwise obligate in any way either Participant to make or provide any financial or non-financial contribution to the other Participant for any purpose. Any FFI Activities identified for investigation by the [insert name of WG] will be pursued in accordance with the terms and provisions of the FFI MOU.

**9. Effective Date. *Mandatory:*** The TOR for the [insert name of WG] becomes effective on the date of the last signature below and remains in effect until [day, month year] [fill in before signature], unless terminated or extended. This TOR may be amended or extended by mutual written consent of both Participants. Either Participant may terminate the [insert name of WG] upon 45 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.

U.S. FFI Project Manager

CA FFI Project Manager

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Name

\_\_\_\_\_  
Name

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