



ACQUISITION AND
TECHNOLOGY
(I&CP)

OFFICE OF THE UNDER SECRETARY OF DEFENSE

3000 DEFENSE PENTAGON
WASHINGTON DC 20301-3000



- 7 OCT 1996

MEMORANDUM FOR DIRECTOR, ADVANCED RESEARCH PROJECTS AGENCY
DIRECTOR, BALLISTIC MISSILE DEFENSE ORGANIZATION
DEPUTY UNDER SECRETARY OF DEFENSE, ENVIRONMENTAL
SECURITY
DEPUTY DIRECTOR, DEFENSE RESEARCH AND ENGINEERING
DEPUTY ASSISTANT SECRETARY OF DEFENSE (C3I
ACQUISITION)
DEPUTY UNDER SECRETARY OF THE ARMY (INTERNATIONAL
AFFAIRS)
DEPUTY UNDER SECRETARY OF THE AIR FORCE
(INTERNATIONAL AFFAIRS)
DIRECTOR, NAVY INTERNATIONAL PROGRAMS OFFICE

SUBJECT: United States - Canada MOU Concerning Technology
Research and Development Projects

Attached is the signed United States - Canada Memorandum of Understanding (MOU) concerning Technology Research and Development Projects (TRDP). The Executive Agent for the US - Canada TRDP is the Department of the Air Force, which is responsible for maintaining a comprehensive database identifying each Project pursued under the MOU.

You or your designated representatives are authorized to negotiate and conclude proposed Project Arrangements under this umbrella MOU, subject to the conditions stated below.

This delegation of authority is made on behalf of the Under Secretary of Defense for Acquisition and Technology in accordance with DoD Directive 5530.3. This authority is delegated subject to the following conditions:

1. Scope: Projects pursued under the MOU must be limited to RDT&E Budget Activities 1, 2, and 3 (formerly 6.1 - 6.3a). In addition, to ensure that DoD does not enter into duplicative Projects, please coordinate the draft Project Arrangement with the Executive Agent prior to your entering into formal discussions on the proposed Project Arrangement.
2. Participation: Participation under this MOU is open to any DoD Component.



3. Project Arrangement Approval: DoD Components must provide advance notification to this office 15 days before each TRDP Project Arrangement is entered into. If the Project Arrangement relies on Section 27 of the Arms Export Control Act, prior Congressional notification is required before the Project Arrangement may be concluded. If the Project Arrangement is proposed for NATO Cooperative R&D funding, additional time must be allowed for NATO Cooperative R&D project certification. Advance notification should be submitted in machine-readable form, by E-mail if possible, accompanied by the proposed text of the Project Arrangement, a Summary Statement of Intent, and a Section 27 Certification if required.
4. DoD Directive 5530.3 Requirements: DoD Components are required to provide two original or certified copies of all Project Arrangements to the Office of Senior Deputy General Counsel (International Affairs and Intelligence), Department of Defense, 1600 Defense Pentagon, Washington, DC 20301-1600. Case Act notification to the Department of State is not required for Project Arrangements under this TRDP.
5. Reporting Requirements: DoD Components will report annually to this office, through the Executive Agent, on activities pursued under this MOU. Activities reported should include:
 - Projects under discussion
 - Projects under negotiation
 - Projects recently signed
 - Projects being implemented
 - Projects concluded

If you require additional information on the US - Canada TRDP MOU, please contact our Canada Country Action Officer, Mr. Andre Pugin, 3D161, 695-4813. If you require additional information on procedures to be followed, please contact our International Agreements Manager, Mr. Donald Stein, 3B739, 697-1130.

A. Volkman

A. Volkman
Assistant Deputy Under Secretary
(Armaments Cooperation)

Attachment

MEMORANDUM OF UNDERSTANDING

BETWEEN

THE

DEPARTMENT OF DEFENSE

OF

THE UNITED STATES OF AMERICA

AND

THE DEPARTMENT OF NATIONAL DEFENCE OF CANADA

FOR

TECHNOLOGY RESEARCH AND DEVELOPMENT PROJECTS

Dated AUG 29 1996

TABLE OF CONTENTS

	INTRODUCTION	1
SECTION I	DEFINITION OF TERMS AND ABBREVIATIONS	2
SECTION II	OBJECTIVE	4
SECTION III	SCOPE OF WORK	5
SECTION IV	MANAGEMENT	6
SECTION V	FINANCIAL ARRANGEMENTS	8
SECTION VI	CONTRACTUAL ARRANGEMENTS	9
SECTION VII	LOAN OF MATERIALS, SUPPLIES, AND EQUIPMENT	11
SECTION VIII	DISCLOSURE AND USE OF PROJECT INFORMATION	13
SECTION IX	CONTROLLED UNCLASSIFIED INFORMATION	16
SECTION X	VISITS TO ESTABLISHMENTS	18
SECTION XI	SECURITY	19
SECTION XII	THIRD PARTY SALES AND TRANSFERS	22
SECTION XIII	CUSTOMS DUTIES, TAXES AND SIMILAR CHARGES	24
SECTION XIV	GENERAL PROVISIONS	25
SECTION XV	AMENDMENT, TERMINATION, ENTRY INTO EFFECT AND DURATION	26
ANNEX	SAMPLE PROJECT ARRANGEMENT	A

INTRODUCTION

The Department of Defense of the United States of America and the Department of National Defence of Canada, hereinafter referred to as the "Participants":

Having a common interest in defense;

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

Seeking to make the best use of their respective research and development capacities, eliminate unnecessary duplication of work and obtain the most efficient and cost-effective results;

Recognizing the need to collectively develop emerging technologies to field technologically superior weapons;

Invoking the Agreement Between the Government of the United States of America and the Government of Canada Concerning the Establishment of Certain Mutual Defense Commitments (Mutual Defense Commitments Agreement) signed August 19, 1994;

Have reached the following understanding:

SECTION I

DEFINITION OF TERMS AND ABBREVIATIONS

The following definitions apply to the terms used in this Technology Research and Development Projects (TRDP) Memorandum of Understanding (MOU):

Classified Information	Official information that requires protection in the interests of national security and is so designated by the application of a security classification marking.
Contracting Agency	The entity within the government organization of a Participant, which has the authority to enter into, administer, and/or terminate Contracts.
Contracting Officer	A person representing a Contracting Agency of a Participant who has the authority to enter into, administer, and/or terminate Contracts.
Contractor	Any entity awarded a Contract under a TRDP PA by a Participant's Contracting Agency.
Controlled Unclassified Information	Unclassified information to which access or distribution limitations have been applied in accordance with applicable national laws or regulations. It could include information which has been declassified, but remains controlled.
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 office approved by a national authority to be responsible for the security aspects of this MOU.
Project Arrangement (PA)	An implementing arrangement, added after the TRDP MOU has entered into effect, which specifically details the provisions of

collaboration on a specific Technology Research and Development Project.

Project Background Information

Information generated outside of a particular TRDP PA.

Project Equipment

Any material, equipment, end item, subsystem, component, special tooling or test equipment used in a TRDP PA.

Project Foreground Information

Project Information generated in the performance of a particular TRDP PA.

Project Information

Any information provided to, generated in, or used in a TRDP PA under this MOU regardless of form or type.

Project Invention

Any invention or discovery formulated or made (conceived or first actually reduced to practice) in the course of work performed under a TRDP PA.

Technology Research and Development Project (TRDP)

Specific collaborative activity to develop basic, exploratory or advanced technologies that are described in a PA.

Third Party

Any person or other entity whose government is not a Participant to this MOU.

SECTION II

OBJECTIVE

1. The objective of this Memorandum of Understanding (MOU) is to define and establish the general principles which apply to the initiation, conduct, and management of Technology Research and Development Project (TRDP) Project Arrangements (PA) established between the Participants.,

2. Detailed provisions of each individual TRDP will be consistent with this MOU and be recorded in PAs to be attached to this MOU. Each PA will include, as a minimum, provisions concerning the objective, scope of work, management structure, financial arrangements, responsibilities of the Participants, and other provisions as required, in accordance with the attached Annex.

SECTION III

SCOPE OF WORK

1. The scope of work for this MOU will encompass collaboration on research, exploratory development, and advanced development whose maturation may lead to technologically superior conventional weapon systems. TRDPs may range from conceptual studies to technology demonstrators.

2. No technical information relating to system specific prototypes, manufacturing development or production may be transferred under this MOU or its implementing PAs. System specific prototypes, manufacturing development or production programs which may evolve from collaboration under one or more PAs to this MOU are outside the scope of this MOU and require conclusion of separate arrangements.

SECTION IV

MANAGEMENT

1. The Principal Deputy Assistant Secretary of Defense (International Programs) is designated US TRDP MOU Director (MD). The Chief Research and Development is designated Canadian TRDP MD. The TRDP MDs will be responsible for:

- a. implementing this TRDP MOU and exercising executive-level oversight;
- b. monitoring overall use and effectiveness of the TRDP MOU; and
- c. recommending amendments to this TRDP MOU.

2. The appropriate US Service Acquisition Executive or Defense Agency Director, or their designees, are designated US TRDP Executive Agent (US TRDP/EA) for those projects within their respective Military Service or Defense Agency. The Chief Research and Development, or his designated representative, is designated Canadian TRDP Executive Agent (Canadian TRDP/EA). The TRDP/EAs will be responsible for:

- a. concluding appropriate PAs in accordance with this MOU and national policies and procedures;
- b. establishing an appropriate management structure for each PA considering its scope and the requirement for a Steering Committee (SC);
- c. establishing Project Officers (POs), and, as appropriate, SC members; and
- d. providing administrative direction to POs, and, as appropriate, SCs.

3. The POs will have primary responsibilities for: effective implementation; efficient management and direction of their assigned PA including technical, cost, and schedule performance against requirements; and reporting status and activity of assigned PAs on an annual basis to the TRDP/EAs and the SC, as appropriate.

4. If an SC is established under a particular TRDP PA, it will be responsible for providing policy and management direction to the POs during PA execution and monitoring overall implementation, including technical, cost, and schedule performance against requirements.

5. The TRDP/EAs, SCs, and POs will meet as required on a regular basis, alternatively in the United States and Canada. The Chairman for each meeting will be the senior official of the host Participant.

SECTION V

FINANCIAL ARRANGEMENTS

1. Each Participant will bear its equitable share of the full financial and nonfinancial costs incurred in performing, managing, and administering its responsibilities and activities under this MOU and each TRDP PA, including overhead costs, administrative costs, and costs of claims, and each Participant will receive an equitable share of the results. The tasks to be performed by each Participant will be established in each TRDP PA. The assignment of tasks will represent an equitable sharing of the costs and work to be performed under the TRDP PA.
2. Detailed descriptions of the financial arrangements for a specific TRDP PA, including, at a minimum, each Participant's cost share, will be contained in that TRDP PA.
3. The following costs will be borne entirely by the Participant incurring the costs:
 - a. Costs associated with any unique national requirements identified by a Participant under a PA.
 - b. Any other costs outside the scope of this MOU and its PAs.
4. The financial responsibilities of the Participants will be subject to the availability of appropriated funds for such purposes. A Participant will promptly notify the other Participant if available funds are not adequate to fulfill its financial obligations under this MOU or a TRDP PA. If a Participant notifies the other Participant of its intention to terminate or reduce its funding for a TRDP PA, both Participants will immediately consult with a view toward continuation on a changed or reduced basis

SECTION VI

CONTRACTUAL ARRANGEMENTS

1. When one Participant individually contracts to undertake a task under this MOU, 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 written consent.

2. If the Participants determine that Contracting is necessary to fulfill their obligations under a TRDP PA of this MOU, one Participant may contract for both Participants in accordance with its respective national laws, regulations and procedures. Such contractual arrangements will be detailed in that particular TRDP PA.

3. For all contracting activities performed by either Participant, the POs will, upon request, provide a copy of all Statements of Work for information prior to the issuance of solicitations.

4. Each Participant's Contracting Agency will negotiate to obtain the rights to use and disclose Project Information required by SECTION VIII (Disclosure and Use of Project Information). Each Participant's Contracting Agency will insert into its prospective contracts (and require its subcontractors to insert in subcontracts) suitable provisions to satisfy the requirements of this TRDP MOU, including SECTION VII (Loan of Materials, Supplies, and Equipment), SECTION VIII (Disclosure and Use of Project Information), SECTION IX (Controlled Information), SECTION XI (Security) and SECTION XII (Third Party Sales and Transfers) of this MOU. During the contracting process, each Participant's Contracting Officer will advise prospective Contractors of their obligation to notify the Contracting Agency immediately if they are subject to any license, agreement, or arrangement that will restrict that Participant's freedom to disclose information or permit its use. The Contracting Officer will also advise prospective Contractors to employ their best efforts not to enter into any new agreement or arrangement that will result in restrictions.

5. In the event a Participant's Contracting Agency is unable to secure adequate rights to use and disclose Project Information as

required by SECTION VIII (Disclosure and Use of Project Information), or is notified by contractors or potential contractors of any restrictions on the disclosure and use of information, that Participant's PO will notify the other Participant's PO of the restriction(s).

6. Each Participant's PO will promptly advise the other Participant's PO of any schedule delay or other performance problems of any contractor for which its Contracting Agency is responsible.

SECTION VII

LOAN OF MATERIALS, SUPPLIES, AND EQUIPMENT

1. For the purpose of carrying out a TRDP PA, each Participant may loan without charge to the other Participant such materials, supplies, and equipment identified in a TRDP PA as being necessary for the corresponding Project. While such loans will be based on the principle of reciprocity, exact item for item exchanges are not required.
2. Materials, supplies, and equipment loaned will be used by the receiving Participant only for the purposes set out in this TRDP MOU and applicable PAs. In addition, the receiving Participant will maintain materials, supplies, and equipment in good order, repair, and operable condition and to return the items in operable condition and in as good condition as received, normal wear and tear excepted, unless the providing Participant has agreed that the loaned materials, supplies or equipment may be expended or otherwise consumed in connection with the Project without reimbursement to the providing Participant.
3. Each TRDP PA will list the materials, supplies or equipment to be loaned, if any, and will provide detailed terms and conditions for the loan.
4. Materials, supplies, and equipment loaned under a TRDP PA will remain the property of the providing Participant and will be returned as set out in the TRDP PA. However, it is recognized that the success of a Project may require the expenditure or consumption of loaned materials, supplies, or equipment. In such cases, the TRDP PA will state that the materials, supplies or equipment are to be expended or consumed and not returned to the providing Participant.
5. Subject to paragraph 2 above, the Participants will not assert a claim against the other for injury, loss, or damage to themselves, their property, or third parties resulting from the use of the materials, supplies, or equipment loaned by the other Participant.
6. The Participants will make every effort to ensure that the materials, supplies, and equipment are furnished in a serviceable and usable condition according to its intended purpose. However,

the Participants make no warranty or guarantee of fitness of the equipment for a particular purpose or use, and make no commitment to alter, improve, or adapt the material, supplies, and equipment or any part thereof.

7. Project Equipment provided under a PA by either Participant will remain the property of the providing Participant.

SECTION VIII

DISCLOSURE AND USE OF PROJECT INFORMATION

1. General

Both Participants recognize that successful collaboration depends on full and prompt exchange of information necessary for carrying out each TRDP. The Participants intend to acquire sufficient Project Information and rights to enable collaboration on research, exploratory development, and advanced development whose maturation may lead to technologically superior conventional weapon systems. The nature and amount of Project Information to be acquired will be in accordance with SECTION II (Objectives), SECTION VI (Contractual Arrangements) and the PAs to this MOU. Subject to the rights both Participants are accorded under this MOU, title to Project Foreground Information generated by a Participant or its contractor will reside in that Participant and/or its contractors, in accordance with that Participant's national laws, regulations and policies.

2. Project Foreground Information

a. Disclosure: Project Foreground Information will be made available to both Participants without charge.

b. Use: Each Participant may use or have used Project Foreground Information without charge for its Defense Purposes; however, if a Participant intends to use the Project Foreground Information in a sale or other transfer to a Third Party, the provisions of SECTION XII (Third Party Sales and Transfers) of this MOU will apply. The Participants will acquire the legal rights to use Project Foreground Information generated by contractors in any Third Party sale or transfer.

3. Project Background Information

a. Disclosure: Each Participant, upon request, will disclose for the purposes of a PA, any relevant Project Background Information provided that:

(1) Such Project Background Information is necessary to or useful in the TRDP PA. The Participant in

possession of the information will determine whether it is "necessary to" or "useful in" the TRDP PA.

(2) Such Project Background Information may be made available without incurring liability to holders of proprietary rights.

(3) Disclosure is consistent with national disclosure policies and regulations of the furnishing Participant.

b. Use: A Participant may use or have used, without charge, Project Background Information disclosed by the other Participant for a TRDP PA purpose only.

4. Project Information Subject to Proprietary Rights

a. All unclassified Project Information subject to proprietary rights will be identified, marked and handled as Controlled Unclassified Information. All classified Project Information subject to proprietary rights will be so identified and marked.

b. The provisions of the NATO Agreement on the Communication of Technical Information for Defence Purposes of 19 October 1970, and its Implementing Procedures of 1 January 1971, will apply to this MOU.

5. Patents

a. Where a Participant has or can secure the right to file a patent application with regard to a Project Invention, that Participant will consult the other Participant regarding the filing of such patent application. The Participant having such rights will in other countries, file, cause to be filed, or provide the other Participant with the opportunity to file on behalf of the Participant holding such rights, or its contractors, as appropriate, patent applications covering any such Project Invention. If a Participant having filed or caused to be filed a patent application decides to stop prosecution of the application, that Participant will notify the other Participant of that decision and permit the other Participant to continue the prosecution.

b. Each Participant will be furnished with copies of patent applications filed and patents granted with regard to Project Inventions.

c. Each Participant will acquire a non-exclusive, irrevocable, royalty-free license to practice or have practiced, by or on behalf of the Participant, throughout the world for Defense Purposes, any Project Invention.

d. Patent applications which contain classified information, to be filed under this MOU, will be protected and safeguarded in accordance with the NATO Agreement for the Mutual Safeguarding of Secrecy of Inventions Relating to Defence and for which Applications For Patents Have Been Made, signed on 21 September 1960, and its implementing procedures.

e. Each Participant will notify the other of any patent infringement claim and, insofar as possible, each Participant will extend to the other Participant any assistance in defending such claims arising in the course of work performed under the TRDP PA. The Participants will, in accordance with their national laws and practices, give their authorization and consent for all use and manufacture in the course of work performed under the TRDP PA of any invention covered by a patent issued by their respective countries. Each Participant is responsible for handling all patent infringement claims made in its territory and to inform the other Participant of such claims and to consult with the other Participant during the handling and prior to any settlement of such claims.

SECTION IX

CONTROLLED UNCLASSIFIED INFORMATION

1. Except as otherwise provided in this MOU or authorized in writing by the originating Participant, Controlled Unclassified Information provided or generated by one Participant to another under this MOU will be subject to the following disclosure and use restrictions:

a. Such information will be used only for the purposes authorized for use of Project Information as specified in SECTION VIII (Disclosure and Use of Project Information).

b. Access to such information will be limited to personnel whose access is necessary for the permitted use under subparagraph (a) above, and subject to the provisions of SECTION XII (Third Party Sales and Transfers).

c. Each Participant will take all lawful steps, which may include national classification, available to it to keep such Controlled Information free from further disclosure (including requests under any legislative provisions); except as provided in sub-paragraph (b) above, unless the originating Participant consents to such disclosure. In the event of unauthorized disclosure, or if it becomes probable that such information may have to be disclosed to a Third Party or a judicial body under any legislative provision, immediate notification will be given to the originating Participant.

2. To assist in providing the appropriate controls, the Participants will mark Controlled Unclassified Information provided to the other Participant with a legend indicating the country of origin, the conditions of release and the fact that it relates to this MOU and that it is supplied "In Confidence" or and equivalent marking.

3. Controlled Unclassified Information provided or generated pursuant to this MOU and any TRDP PA will be handled in a manner that ensures control as provided in paragraph 1, above.

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

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 appropriate security clearances and a need-to-know.
2. All visiting personnel will be required to comply with security regulations of the host Participant. Any information disclosed or made available to visitors will be treated as if supplied to the Participant sponsoring the visiting personnel, and will be subject to the provisions of this MOU.
3. Requests for visits by personnel of one Participant to a facility of the other Participant will be coordinated through official channels, and will conform with the established visit procedures of the host country. Requests for visits will bear the name of the TRDP PA.
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 agreed recurring international visit procedures.

SECTION XI

SECURITY

1. All Classified Information or classified Project Equipment provided or generated pursuant to this MOU will be stored, handled, transmitted and safeguarded in accordance with the U.S./Canada General Security of Information Agreement of 30 January 1962, and the U.S.-Canada Industrial Security Agreement of 8 February 1985 and any amendments thereto.

2. Classified Information and classified Project Equipment will be transferred only through official government-to-government channels or through channels approved by the Designated Security Authorities (DSAs) of both Participants. Classified Information and classified Project Equipment will bear the level of classification, denote the country of origin, the conditions of release, and the fact that the information relates to this MOU or one of its PAs.

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 unless the other Participant consents to such disclosure. Accordingly, each Participant will ensure that:

a. The recipient will not release the Classified Information to any 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).

b. The recipient will not use the Classified Information for other than the purposes provided for in this MOU.

c. The recipient will comply with any distribution and access restrictions on information that is provided under this MOU.

4. The Participants will investigate all cases in which it is known or where there are grounds for suspecting that Classified Information or classified Project Equipment 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 occurrences, and of the final results of the investigation and of the corrective action taken to preclude recurrences.

5. When a TRDP PA contains provisions for the exchange of Classified Information, the POs will jointly prepare a Project Security Instruction and a Classification Guide for the TRDP PA. The Project Security Instruction and the Classification Guide will describe the methods by which Project Information and Project Equipment will be classified, marked, used, transmitted, and safeguarded. The Instruction and Guide will be developed by the POs within three months after a TRDP PA enters into effect. They will be reviewed and forwarded to the appropriate DSAs, and will be applicable to all government and Contractor personnel participating in the TRDP PA. The Classification Guide will be subject to regular review and revision with the aim of downgrading the classification whenever this is appropriate. The Project Security Instruction and Classification Guide will be approved by the appropriate DSA prior to the transfer of any classified or Controlled Unclassified Information.

6. Contractors, prospective contractors, or subcontractors which 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.

7. For any facility wherein Classified Information or classified Project Equipment is to be used, the responsible Participant or contractor will approve the appointment of a person or persons to exercise effectively the responsibilities for safeguarding at such facility the Classified Information or classified Project Equipment pertaining to each TRDP PA. These officials will be responsible for limiting access to Classified Information or classified Project Equipment involved in the TRDP PA to those persons who have been properly approved for access and have a need-to-know.

8. 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 information in order to participate in the TRDP PA.

9. Classified Information or classified Project Equipment provided or generated pursuant to this MOU may be classified as high as SECRET. The existence of this MOU is UNCLASSIFIED and its contents are UNCLASSIFIED. The classification of a specific TRDP PA and its contents will be stated in that PA.

SECTION XII

THIRD PARTY SALES AND TRANSFERS

1. a. Each Participant will retain the right to sell, transfer title to, disclose, or transfer possession of Project Foreground Information which :

- (1) 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); and

- (2) does not include any Project Background Information of the other Participant or its contractors.

- b. In the event questions arise whether the Project Foreground Information that a Participant intends to sell, transfer title to, disclose, or transfer to a Third Party is within the scope of 1.a. above, 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 Project Foreground Information to a Third Party.

2. The Participants will not sell, transfer title to, disclose, or transfer possession of Project Foreground Information generated by the other Participant or the other Participant's Contractors to any Third Party without the prior written consent of the other Participant. Furthermore, neither Participant will permit any such sale, disclosure, or transfer without the prior written consent of the other Participant. Such consent will not be given unless the government of the intended recipient agrees in writing with the Participants that it will:

- a. not re transfer, or permit the further re transfer of, any equipment or information provided; and

- b. use, or permit the use of, the equipment or information provided only for the purposes specified by the Participants.

3. A Participant will not sell, transfer title to, disclose, or transfer possession of Project Equipment or Project Background Information provided by the other Participant to any Third Party without the prior written consent of the Participant which provided such equipment or information. The providing Participant will be solely responsible for authorizing such transfers and, as applicable, specifying the method and conditions for implementing such transfers.

SECTION XIII

CUSTOMS DUTIES, TAXES AND SIMILAR CHARGES

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 readily identifiable taxes, customs duties and similar charges, and quantitative restrictions on imports and exports, are not imposed in connection with work carried out under each TRDP PA.

2. Each Participant will use its best efforts to ensure that customs duties, import and export taxes, and similar charges are administered in a manner favorable to the efficient and economical conduct of the work. If any such duties, taxes, or similar charges are levied, the Participant in whose country they are levied will endeavor to bear such costs. Any such costs will not be considered to fall under either Participant's shared costs.

SECTION XIV

GENERAL PROVISIONS

1. All activities of the Participants under this MOU and its TRDP PAs will be carried out in accordance with their national laws. Specifically, any questions of liability or settlement of disputes will be handled under paragraph 1 (b) and 5 of the Mutual Defense Commitments Agreement accordingly.
2. In the event of a conflict between the terms of this MOU and any TRDP PA, this MOU will take precedence.
3. 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.

SECTION XV

AMENDMENT, TERMINATION, ENTRY INTO EFFECT AND DURATION

1. This TRDP MOU may be amended only by the mutual written consent of the Participants. Any of the PAs under this TRDP MOU may be amended only by the written consent of authorized representatives of the Participants.
2. This TRDP MOU and any of its PAs may be terminated at any time by the mutual written consent of the Participants. In the event both Participants wish to terminate this MOU, the Participants will consult to ensure termination on the most economical and equitable terms.
3. Either Participant may terminate this MOU upon 180 days written notification to the other Participant. Such notice will be the subject of immediate consultation to decide upon the appropriate course of action. In the event of such termination, the following rules apply:
 - a. The terminating Participant will continue participation, financial or otherwise, up to the effective date of termination.
 - b. Each Participant will pay the costs it incurs as a result of termination.
 - c. All Project Information and rights therein received under the provisions of this MOU prior to the termination will be retained by the Participants subject to the provisions of this MOU.
4. The respective rights and responsibilities of the Participants regarding SECTION VIII (Use and Disclosure of Information), SECTION IX (Controlled Information), SECTION XI (Security), and SECTION XII (Third Party Sales and Transfers) will continue notwithstanding termination or expiration of this MOU and any of its PAs.

5. This MOU consists of the Preamble, fifteen (15) Sections, and one Annex and will enter into effect from the date of signature of both Participants and, unless terminated or extended, will remain in effect for 25 years. PAs will enter into effect upon signature by both Participants. All PAs will automatically terminate upon the termination or expiration of this MOU.

Signed by the authorized representatives of the Participants.

For the Department of
National Defence of
Canada



Signature

PIERRE L. LAGUEUX

Name

Assistant Deputy Minister
(Materiel)

Title

29 August, 1996

Date

Ottawa, Canada

Location

For the Department
of Defense of the United
States of America



Signature

PAUL G. KAMINSKI

Name

Under Secretary of Defense
(Acquisition and Technology)

Title

July 18, 1996

Date

Washington, D.C.

Location

U.S./CA TRDP PROJECT ARRANGEMENT NO. _____

BETWEEN

THE DEPARTMENT OF DEFENSE

OF THE UNITED STATES OF AMERICA

AND THE

DEPARTMENT OF NATIONAL DEFENCE

OF CANADA

CONCERNING

(FULL DESIGNATION OF THE PROJECT)

*The Project Arrangement Numbers will be structured as follows:
TRDP: CA XX-NN-nnnn where XX is a U.S. Military Service or
Defense Agency designator such as N for Navy, A for Army, AF for
Air Force, AR for ARPA, etc.; NN is the calendar year, and nnnn
is a sequential number.

TABLE OF CONTENTS

<u>SECTION</u>	<u>Page</u>
I INTRODUCTION	1
II DEFINITION OF TERMS AND ABBREVIATIONS	1
III OBJECTIVES	1
IV SCOPE OF WORK	1
V SHARING OF TASKS	2
VI BREAK DOWN AND SCHEDULE OF TASKS	2
VII MANAGEMENT	3
VIII FINANCIAL ARRANGEMENTS	4
IX LEVEL OF CLASSIFICATION	5
X PRINCIPAL ORGANIZATIONS INVOLVED	5
XI LOAN OF MATERIALS, SUPPLIES AND EQUIPMENT	5
XII ENTRY INTO EFFECT, DURATION AND TERMINATION	7

SECTION I

INTRODUCTION

This Project Arrangement (PA) hereby establishes the _____ as a Project in accordance with the Memorandum of Understanding between the Department of Defense of the United States of America and the Department of National Defence of Canada Concerning Technology Research and Development Projects, (date).

SECTION II

DEFINITION OF TERMS AND ABBREVIATIONS

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

SECTION III

OBJECTIVES

The objectives of this _____ Project are:

a. the development of _____

b. the improvement of _____

c. the investigation of _____

SECTION IV

SCOPE OF WORK

The following tasks will be undertaken under this PA.

a. Research _____

- b. Develop _____

- c. Evaluate _____

- d. Design, fabricate and test _____

SECTION V

SHARING OF TASKS

The sharing of tasks will be as follows:

- a. The DOD will _____

- b. The DND will _____

- c. DOD and DND will jointly _____

SECTION VI

BREAK DOWN AND SCHEDULE OF TASKS

(OPTIONAL)

(When the tasks covered under Project may be performed using multiple phases, requiring milestones or decision points).

The Project will proceed according to the following phases and schedule

<u>Phase 1</u>	<u>Start</u>	<u>End</u>
Description of Phase 1	MM/YY	MM/YY

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

<u>Phase 2</u>	<u>Start</u>	<u>End</u>
----------------	--------------	------------

Description of Phase 2	MM/YY	MM/YY
(Milestone 2) (e.g. Decision to proceed to phase 3)		
<u>Phase 3</u>	<u>Start</u>	<u>End</u>
Description of Phase 3	MM/YY	MM/YY
(Milestone 3) (e.g. Evaluation, analysis of results)		

(Add as many phases as necessary)

SECTION VII

MANAGEMENT

1. Steering Committee:

(It is anticipated that most Projects will not need the establishment of a Steering Committee (SC); however, for such instances where a SC is deemed to be required, the following provides for the designation of SC members)

US Co-Chairman

Title/Position _____

Organization _____

Address _____

Canadian Co-Chairman

Title/Position _____

Organization _____

Address _____

2. Project Officers:

US PO

Title/Position _____

Organization _____

Address _____

Canadian PO

Title/Position _____

Organization _____

Address _____

3. Particular Management Procedures:

(Mention only those additional management responsibilities not covered under Section IV of the TRDP MOU).

SECTION VIII

FINANCIAL ARRANGEMENTS

The DOD share of the tasks is estimated to be X US dollars.
The DND share of the tasks is estimated to be Y Canadian dollars.

Cooperative efforts of the Participants over and above the jointly agreed tasks set forth in the SCOPE OF WORK, SHARING OF TASKS and FINANCIAL ARRANGEMENTS articles will be subject to amendment to this PA or signature of a new PA.

SECTION IX

LEVEL OF CLASSIFICATION

Only one of the three following possibilities must be selected:

- a. No Classified Information will be exchanged under this PA; or
- b. The highest level of Classified Information exchanged under this PA is: Confidential; or
- c. The highest level of Classified Information exchanged under this PA is: Secret.

SECTION X

PRINCIPAL ORGANIZATIONS INVOLVED

(List government laboratories, research centers, and other organizations for both the US and Canada)

SECTION XI

LOAN OF MATERIALS, SUPPLIES, AND EQUIPMENT
(OPTIONAL)

1. The following Project Equipment will be transferred by the providing Participant to the receiving Participant:

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

(fill in as appropriate)

2. The providing Participant will transfer the Project Equipment listed above for the duration of _____ unless extended by mutual consent.

3. The providing Participant will deliver the Project Equipment (specify arrangements). Custody of the Project Equipment will

pass from the providing Participant to the receiving Participant at the time of receipt. Any further transportation is the responsibility of the receiving Participant unless otherwise specified.

4. The providing Participant will furnish the receiving Participant such information as is necessary to enable the Project Equipment to be used.

5. The receiving Participant will inspect and inventory the Project Equipment upon receipt. The receiving Participant will also inspect and inventory the Project Equipment prior to its return to the providing Participant unless the Project Equipment is consumed in accordance with paragraph 1.

6. Upon expiration or termination of the transfer period specified in paragraph 2 (taking into account any approved extension by the providing Participant), the receiving Participant will return the nonconsumable Project Equipment to the providing Participant (specify arrangements). If the Project Equipment is lost, unintentionally destroyed, or damaged beyond 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.

7. It is intended that the receiving Participant will consume the consumable Project Equipment specified in paragraph 1. 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 2, the receiving Participant will return the Project Equipment to the providing Participant (specify arrangements). If the Project Equipment 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.

SECTION XII

ENTRY INTO EFFECT, DURATION AND TERMINATION

This _____
PA, a Project under the Memorandum of Understanding between the Department of Defense of the United States of America and the Department of National Defence of Canada for Technology Research and Development Projects, will enter into effect upon its _____
_____ ture, and will remain in effect for _____ years unless
_____ nated by either Participant. It may be extended by mutual
written consent of the signatories.

Signature

Name

Title

Date

Location

Signature

Name

Title

Date

Location