

DEFENSE

Aircraft

**Agreement Between the
UNITED STATES OF AMERICA and
OTHER GOVERNMENTS**

Amending the Memorandum of
Understanding of October 5 and
December 9, 2004 and January 10, 2005

As Amended

Signed at Washington, Madrid, and Rome
November 6 and 14, and December 2, 2014



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.”

MULTILATERAL

Defense: Aircraft

*Agreement amending the memorandum of
understanding of October 5 and
December 9, 2004 and January 10, 2005,
as amended;*

*Signed at Washington, Madrid, and Rome
November 6 and 14, and December 2, 2014;
Entered into force December 2, 2014.*

AMENDMENT TWO TO THE
FRAMEWORK MEMORANDUM OF UNDERSTANDING
AMONG THE
MINISTER OF DEFENSE OF THE REPUBLIC OF ITALY
AND THE
MINISTER OF DEFENSE OF THE KINGDOM OF SPAIN
AND THE
SECRETARY OF STATE FOR DEFENCE OF THE UNITED
KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND
AND THE
SECRETARY OF DEFENSE ON BEHALF OF THE DEPARTMENT OF DEFENSE
OF THE UNITED STATES OF AMERICA
CONCERNING
COOPERATION IN POST-PRODUCTION SUPPORT OF HARRIER AIRCRAFT
(SHORT TITLE: HARRIER FRAMEWORK MOU)

INTRODUCTION

The Ministry of Defense of the Italian Republic (IT, MOD), the Ministry of Defense of the Kingdom of Spain (SP MOD), and the Secretary of Defense on behalf of the Department of Defense of the United States of America (U.S. DoD), hereinafter referred to as the “MOU Participants”;

Considering the Framework Memorandum of Understanding among the Minister of Defense of the Republic of Italy and the Minister of Defense of the Kingdom of Spain and the Secretary of State for Defence of the United Kingdom of Great Britain and Northern Ireland and the Secretary of Defense of behalf of the Department of Defense of the United States of America concerning Cooperation in Post-Production Support of Harrier Aircraft, which entered into effect on December 9, 2004, as amended on January 26, 2009 (hereinafter referred to as the “Harrier Framework MOU”); and

Considering the notification on March 6, 2012, by the Ministry of Defence of the United Kingdom (UK MOD) of its intent to withdraw from the Harrier Framework MOU, which became effective on July 6, 2012;

Have reached the following understandings:

SECTION I

PURPOSE

The purpose of this amendment is to extend the duration of the MOU for an additional period of ten (10) years, modify the scope of work, establish new Financial Cost Ceilings for the extended duration of the MOU, and remove references to the Secretary of State for Defence of the United Kingdom of Great Britain and Northern Ireland and the UK MOD, as necessary.

SECTION II
AMENDMENT

The Harrier Framework MOU is hereby amended as follows:

1. Replace the current Title Page with the following Title Page:

FRAMEWORK MEMORANDUM OF UNDERSTANDING
AMONG THE
MINISTRY OF DEFENSE OF THE ITALIAN REPUBLIC
AND THE
MINISTRY OF DEFENSE OF THE KINGDOM OF SPAIN
AND THE
SECRETARY OF DEFENSE ON BEHALF OF THE DEPARTMENT OF DEFENSE
OF THE UNITED STATES OF AMERICA
CONCERNING
COOPERATION IN POST-PRODUCTION SUPPORT OF HARRIER AIRCRAFT

(SHORT TITLE: HARRIER FRAMEWORK MOU)

2. Replace the words “Minister of Defense of the Republic of Italy” with the words “Ministry of Defense of the Italian Republic” wherever they appear in the Harrier Framework MOU. Also, replace the words “Minister of Defense of the Kingdom of Spain” with the words “Ministry of Defense of the Kingdom of Spain” wherever they appear in the Harrier Framework MOU.
3. Change the TABLE OF CONTENTS as follows:
 - a. Replace the title of Annex C (Estimated IT MOD, SP MOD, UK MOD, and U.S. DoD Harrier Airframe Inventory Quantities) with the following:
“ESTIMATED HARRIER AIRFRAME INVENTORY QUANTITIES”.
 - b. Delete the listing of Annex D (Estimated IT MOD, SP MOD, and U.S. DoD Harrier Airframe Quantities) in its entirety.
 - c. Re-letter Annex E (Cooperative Program Personnel) as “Annex D”.
4. Replace the words “Annex C (Estimated IT MOD, SP MOD, UK MOD, and U.S. DoD Harrier Airframe Inventory Quantities)” with the words “Annex C (Estimated Harrier Airframe Inventory Quantities)” wherever they appear in the Harrier Framework MOU.
5. Replace the term “Annex E” with the term “Annex D” wherever it appears in the Harrier Framework MOU.
6. Change the INTRODUCTION as follows:
 - a. In the first subparagraph, delete the words “, the Secretary of State for Defence of the United Kingdom of Great Britain and Northern Ireland (UK MOD)”.
 - b. Delete the fifth subparagraph regarding the U.S. DoD-UK MOD predecessor Harrier Memorandum of Understanding.
 - c. Change the last line of the current sixth subparagraph to read as follows:
“Amendment 3 of 31 December 2002, and Amendment 4 of 28 June 2004;”
7. Change SECTION I (DEFINITIONS AND ACRONYMS) as follows:
 - a. In the definition of “Controlled Unclassified Information” in paragraph 1.1., delete the next-to-last sentence regarding UK export-controlled information.
 - b. In the Acronym List in paragraph 1.2., delete the acronym “UK MOD” and the words “Secretary of Defence of the United Kingdom of Great Britain and Northern Ireland”.

8. Change SECTION II (OBJECTIVE (S)) as follows:
 - a. In the second sentence of paragraph 2.1., delete, "UK,".
 - b. Revise paragraph 2.2. as follows:
 - (1) Delete the current first sentence.
 - (2) In the current third sentence, replace the word "MOUs" with the word "MOU".
 - (3) In the current fourth sentence, replace the comma that appears after the first instance of the words "will be conducted under this MOU", with a period, and delete the remainder of the sentence.
 - (4) In the current fifth sentence, delete the words "the U.S.-UK AV-8B/GR5 Arrangement and", and the words "that Arrangement and".
9. Change SECTION III (SCOPE OF WORK) as follows:
 - a. Replace paragraph 3.3.6.1. with the following: "Conduct component improvement program efforts for the Pegasus F402-RR-408A/B engines, including investigating propulsion system problems and recommending design and other solutions to improve propulsion safety, reliability, maintainability, operability and survivability, and to reduce life cycle costs."
 - b. Replace paragraph 3.3.6.2. with the following: "Perform system safety analyses for the Pegasus F402-RR-408A/B engines."
 - c. In paragraph 3.4.1., replace the words "U.S.-UK AV-8B/GR5 Arrangement" with the words "Memorandum of Understanding between the Government of Great Britain and Northern Ireland and the Government of the United States of America Relating to AV-8B/Harrier GR5 Development, Production, and Support of July 27, 1981 (hereinafter referred to as the U.S.-UK AV-8B/GR5 Arrangement), as amended".
 - d. Replace paragraph 3.4.3. with the following: "The MOU Participants will preserve, transport (for the purpose of storage), maintain, and store ST/STE and associated documentation that are determined under paragraph 3.4.1. likely to be necessary for the Harrier post-production support requirements of the MOU Participants."
 - e. Delete paragraph 3.4.4. in its entirety.

10. Change SECTION IV (MANAGEMENT (ORGANIZATION AND RESPONSIBILITY)) as follows:

- a. In paragraph 4.4.5., replace the text “paragraph 5.12” with the text “paragraph 5.13.”
- b. Add a new paragraph 4.4.16. as follows: “Approving a plan to maintain data in the Harrier eTIMS identified in paragraph 3.4.2. of Section III (Scope of Work).”
- c. Add a new paragraph 4.4.17. as follows: “Approving a plan to preserve, transport (for the purpose of storage), maintain, store, and use ST/STE and associated documentation, as described in paragraph 3.4.3. of Section III (Scope of Work) and referenced in paragraph 7.1. of Section VII (Project Equipment) of this MOU.”
- d. Add a new paragraph 4.4.18. as follows: “Reviewing annually and adjusting, if necessary, the quantities established in Table C-1 of Annex C (Estimated Harrier Airframe Inventory Quantities).”
- e. Delete paragraph 4.5. (including subordinate paragraphs 4.5.1., 4.5.1.1., 4.5.1.2., 4.5.1.3., and 4.5.2.) in its entirety.
- f. Re-number current paragraphs 4.6. through 4.18. as new paragraphs 4.5. through 4.17., and re-number the subordinate paragraphs within those new paragraphs accordingly.
- g. Replace the fourth sentence of current paragraph 4.8. (re-numbered as new paragraph 4.7.) with the following: “The MOU Participants will each appoint to the JPO a national representative to serve as a JPO Deputy.”
- h. Replace current paragraph 4.9.7. (re-numbered as new paragraph 4.8.7.) with the following: “Preparing and submitting to the ESC a plan to preserve, transport (for the purpose of storage), maintain, store, and use ST/STE and associated documentation, as described in paragraph 3.4.3. of Section III (Scope of Work) and referenced in paragraph 7.1. of Section VII (Project Equipment) of this MOU.”
- i. In current paragraph 4.11. (re-numbered as new paragraph 4.10.), replace the text “paragraph 4.10.” with the text “paragraph 4.9.”, and replace the text “paragraphs 4.9.7. and 4.9.18.” with the text “paragraphs 4.8.7. and 4.8.18.”
- j. In current paragraph 4.13.4. (re-numbered as new paragraph 4.12.4.), replace the text “paragraph 5.13.” with the text “paragraph 5.14.”

11. Change SECTION V (FINANCIAL PROVISIONS) as follows:

a. At the beginning of paragraph 5.1., insert the words "For the period commencing on the date of entry into effect of the Harrier Framework MOU through December 8, 2014," and replace the word "The" in front of the words "MOU Participants" with the word "the".

b. Add the following new paragraph 5.2.:

"5.2. For the period commencing on December 9, 2014, and ending on the expiration or termination of the Harrier Framework MOU, the MOU Participants estimate that the performance of the responsibilities under this MOU will not exceed the following Financial Cost Ceilings:

5.2.1. A Financial Cost Ceiling of 6.228 million Then Year Dollars, for performance of the responsibilities under this MOU, excluding the work performed pursuant to paragraphs 3.3.6. and 3.4. of Section III (Scope of Work);

5.2.2. A Financial Cost Ceiling of 70.872 million Then Year Dollars, for the work performed pursuant to paragraph 3.3.6. (excluding the work performed under paragraph 3.3.6.3.) of Section III (Scope of Work);

5.2.3. A Financial Cost Ceiling of 7.293 million Then Year Dollars, for the work performed pursuant to paragraphs 3.3.6.3., 3.4.1., and 3.4.2. of Section III (Scope of Work); and

5.2.4. A Financial Cost Ceiling of 7.285 million Then Year Dollars, for the work performed pursuant to paragraph 3.4.3. of Section III (Scope of Work)."

c. Re-number current paragraph 5.2. as new paragraph 5.3., and revise it to read as follows:

"5.3. The Financial Cost Ceilings identified in paragraphs 5.1. and 5.2. of this Section may be changed only upon the mutual written consent of the MOU Participants. The U.S. dollar will be the reference currency for the Program. The fiscal year for the Program will be the U.S. Fiscal Year."

d. Re-number current paragraph 5.3. as new paragraph 5.4. In new paragraph 5.4., replace the text "paragraph 4.9.9." with the text "paragraph 4.8.9."

e. Re-number current paragraph 5.4. as new paragraph 5.5. , and delete current paragraph 5.5. in its entirety.

f. In new paragraph 5.5., change the existing text in the first two lines to read as follows:
"The MOU Participants will share the Financial Costs described in paragraphs 5.5.1. through

5.5.4. that are incurred during the period commencing on the date of entry into effect of the Harrier Framework MOU through December 8, 2014, as follows:"

g. Re-number current paragraphs 5.4.1., 5.4.2., 5.4.3., and 5.4.4. as new paragraphs 5.5.1., 5.5.2., 5.5.3., and 5.5.4.

h. In re-numbered paragraph 5.5.3., replace the fifth sentence with the following: "The values of "X" are set forth in Annex C (Estimated Harrier Airframe Inventory Quantities) and will be adjusted by the ESC, if necessary, to reflect changes in the MOU Participants' estimated Harrier airframe quantities in accordance with paragraph 4.4.18. of Section IV (Management (Organization and Responsibility))."

i. In re-numbered paragraph 5.5.4., replace the words "IT MOD, SP MOD, and U.S. MOD" in the first sentence with the words "MOU Participants". Also, replace the fifth sentence of that paragraph with the following: "The values of "X" are set forth in Annex C (Estimated Harrier Airframe Inventory Quantities) and will be adjusted by the ESC, if necessary, to reflect changes in the MOU Participants' estimated Harrier airframe quantities in accordance with paragraph 4.4.18. of Section IV (Management (Organization and Responsibility))."

j. Add the following new paragraph 5.6.:

"5.6. The MOU Participants will share the Financial Costs described in paragraphs 5.6.1. through 5.6.4. that are incurred during the period commencing on December 9, 2014, and ending on the expiration or termination of the Harrier Framework MOU as follows:

5.6.1. The Financial Costs of performance of the responsibilities under this MOU, excluding the work performed pursuant to paragraphs 3.3.6. and 3.4. of Section III (Scope of Work), will be shared equally by the MOU Participants.

5.6.2. The Financial Costs for the MOU Participants' efforts under paragraph 3.3.6. (excluding the work performed under paragraph 3.3.6.3.) of Section III (Scope of Work) of this MOU will be shared by the MOU Participants in the proportion of their individual Pegasus engine inventories to the total Pegasus engine inventories of the MOU Participants. This requirement is reflected in the following formula: $S(\text{engine})=(A/B)C$. "S(engine)" represents the financial contribution by an individual MOU Participant. "A" represents the estimate of Pegasus engines in the inventory of an individual MOU Participant. The values for "A" are set forth in Annex B (Estimated Pegasus Engine Inventory Quantities) and will be adjusted by the ESC, if necessary, to reflect changes in the MOU Participants' estimated Pegasus engine quantities in accordance with paragraph 4.4.8. of Section IV (Management (Organization and Responsibility)). "B" represents the sum of the individual "A" values of the MOU Participants. "C" represents the Financial

Costs of the effort under paragraph 3.3.6. (excluding the work performed under paragraph 3.3.6.3.) of Section III (Scope of Work) of this MOU.

5.6.3. The Financial Costs for the MOU Participants to perform the work pursuant to paragraphs 3.3.6.3., 3.4.1., and 3.4.2. of Section III (Scope of Work) of this MOU will be shared by the MOU Participants in the proportion of their individual Harrier airframe inventories to the total Harrier airframe inventories of the MOU Participants. This requirement is reflected in the following formula: $S(\text{airframe})=(X/Y)Z$. "S(airframe)" represents the financial contribution by an individual MOU Participant. "X" represents the estimated Harrier airframe inventory of an individual MOU Participant. The values of "X" are set forth in Annex C (Estimated Harrier Airframe Inventory Quantities) and will be adjusted by the ESC, if necessary, to reflect changes in the MOU Participants' estimated Harrier airframe quantities in accordance with paragraph 4.4.18. of Section IV (Management(Organization and Responsibility)). "Y" represents the sum of the individual "X" values of the MOU Participants. "Z" represents the Financial Costs of the efforts under paragraphs 3.3.6.3., 3.4.1., and 3.4.2. of Section III (Scope of Work) of this MOU."

5.6.4. The Financial Costs for the MOU Participants to perform the work pursuant to paragraph 3.4.3. of Section III (Scope of Work) of this MOU will be shared by the MOU Participants in the proportion of their individual Harrier airframe inventories to the total Harrier airframe inventories of the MOU Participants. This requirement is reflected in the following formula: $S(\text{airframe})=(X/Y)Z$. "S(airframe)" represents the financial contribution by an individual MOU Participant. "X" represents the estimated Harrier airframe inventory of an individual MOU Participant. The values of "X" are set forth in Annex C (Estimated Harrier Airframe Inventory Quantities) and will be adjusted by the ESC, if necessary, to reflect changes in the MOU Participants' estimated Harrier airframe quantities in accordance with paragraph 4.4.18. of Section IV (Management(Organization and Responsibility)). "Y" represents the sum of the individual "X" values of the MOU Participants. "Z" represents the Financial Costs of the efforts under paragraph 3.4.3. of Section III (Scope of Work) of this MOU."

- k. Re-number current paragraphs 5.6. through 5.18. as new paragraphs 5.7. through 5.19., and re-number the subordinate paragraphs within those new paragraphs accordingly.
- l. In the last sentence of new paragraph 5.7., replace the text "paragraph 5.10." with the text "paragraph 5.11.", and replace the text "paragraph 4.8." with the text "paragraph 4.7."
- m. In the second sentence of new paragraph 5.10., replace the words "the SP MOD or the UK MOD need" with the words "the SP MOD needs", and delete the text "or UK MOD, as

appropriate,”. In the third sentence of new paragraph 5.10., delete the text “or UK MOD, as applicable,”, and delete the last sentence of new paragraph 5.10.

n. In the first sentence of new paragraph 5.11., replace the text “paragraph 5.3.” with “paragraph 5.4.”, and replace the text “paragraph 5.7.” with the text “paragraph 5.8.”.

o. In new paragraph 5.13., replace the text “paragraph 5.14.” with the text “paragraph 5.15.”.

p. In new paragraph 5.14., replace the text “paragraph 5.14.” with the text “paragraph 5.15.”.

q. Delete the text of new paragraph 5.15. in its entirety, and replace it with the following:

“5.15. The MOU Participants recognize that it may become necessary for one MOU Participant to incur contractual or other obligations for the benefit of the other MOU Participants or all of the MOU Participants prior to receipt of the other MOU Participants’ funds. In the event that one MOU Participant incurs such contractual or other obligations, each of the other MOU Participants will pay its equitable share of the Contract or other obligation, and will make such funds available in such amounts and at such times as may be required by the Contract 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 Contract or other obligation in advance of the time such payments, damages, or costs are due.”

r. In new paragraph 5.16., replace the word “responsibility” with the word “obligation” wherever it appears, and in the first sentence of that paragraph, replace the text “paragraphs 4.9.4. and 4.10.4. or paragraphs 4.15.4. and 4.16.3.” with the text “paragraphs 4.8.4. and 4.9.4. or paragraphs 4.14.4. and 4.15.3.”.

12. Change SECTION VII (PROJECT EQUIPMENT) as follows:
 - a. In the first sentence of paragraph 7.1.2., replace the text “paragraph 4.5.1.2.” with the text “paragraph 4.4.17.”, and replace the text “paragraph 4.9.7.” with the text “paragraph 4.8.7.”. At the end of the last sentence of paragraph 7.1.2., add a close parenthesis before the period.

13. Change SECTION XVIII (AMENDMENT, TERMINATION, ENTRY INTO EFFECT, AND DURATION) as follows:
 - a. Replace the first sentence of paragraph 18.7. with the following: “This MOU, which consists of eighteen (18) Sections and four (4) Annexes, will enter into effect upon signature by at least two MOU Participants and will remain in effect until December 9, 2024.”

14. Change ANNEX A (SAMPLE PROJECT ARRANGEMENT) as follows:
 - a. In the Introduction, delete the words “and the Secretary of State for Defence of the United Kingdom of Great Britain and Northern Ireland”.
 - b. In paragraph 4.1. of Section Four (Management), delete paragraph 4.1.4. in its entirety.
 - c. In paragraph 4.3. of Section Four (Management), delete paragraph 4.3.3. in its entirety.
 - d. Delete the words “[PA Participant 4]” and the corresponding percentage share “[X]” in paragraph 5.2. of Section Five (Financial Arrangements).
 - e. Delete the row for PA Participant 4 in Table 5-1 of paragraph 5.4. of Section Five (Financial Arrangements).
 - f. Delete the signature block for the Secretary of State for Defence of the United Kingdom of Great Britain and Northern Ireland at the end of the Sample Project Arrangement.

15. Replace ANNEX B (ESTIMATED PEGASUS ENGINE INVENTORY QUANTITIES) with the following:

“ANNEX B

ESTIMATED PEGASUS ENGINE INVENTORY QUANTITIES

Table B-1. Estimated Pegasus Engine Inventory Quantities

MOU Participant	Quantities	Percentage (%) of Total
IT MOD	27	11
SP MOD	18	8
U.S. DoD	195	81
Total	240	100

16. Replace ANNEX C (ESTIMATED IT MOD, SP MOD, UK MOD, AND U.S. DoD HARRIER AIRFRAME INVENTORY QUANTITIES) with the following:

“ANNEX C

ESTIMATED HARRIER AIRFRAME INVENTORY QUANTITIES

Table C-1. Estimated Harrier Airframe Inventory Quantities.

MOU Participant	Quantities	Percentage (%) of Total
IT MOD	16	10
SP MOD	12	7
U.S. DoD	133	83
Total	161	100

17. Delete ANNEX D (ESTIMATED IT MOD, SP MOD, AND U.S. DoD HARRIER AIRFRAME INVENTORY QUANTITIES) in its entirety.

SECTION III

ENTRY INTO EFFECT

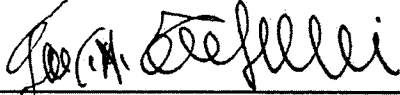
This Amendment Two to the Harrier Framework MOU will enter into effect upon the date of the last signature below. This amendment will remain in effect for the same period as the MOU that it amends. Unless specifically amended herein, all other provisions of the Harrier Framework MOU remain unchanged.

The foregoing represents the understandings reached among the MOU Participants on the matters referred to herein.

SIGNED, in three (3) originals, in the English language, by authorized representatives.

AMENDMENT TWO TO THE HARRIER FRAMEWORK MOU

FOR THE MINISTRY OF
DEFENSE OF THE ITALIAN
REPUBLIC:



Signature

Lt.Gen. Enzo STEFANINI

Name

Secretary General of Defence/
National Armaments Director

Title

02 DIC. 2014

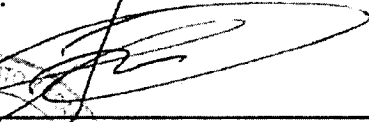
Date

Rome

Location

AMENDMENT TWO TO THE HARRIER FRAMEWORK MOU

FOR THE MINISTRY OF
DEFENSE OF THE KINGDOM OF
SPAIN:



Signature
Antonio Estarellas Pereyra
D.N.I. 31 404 024

Name

Title

14. NOV. 2014

Date

MADRID

Location

AMENDMENT TWO TO THE HARRIER FRAMEWORK MOU

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



Signature

Sean J. Stackley

Name

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

Title

NOV 6 2014

Date

Washington, D.C.

Location