

DEFENSE

Cooperative Projects

Agreement Between the
UNITED STATES OF AMERICA
and SWEDEN

Signed at Washington and Stockholm
March 10 and April 22, 1997

with

Annex



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.”

SWEDEN

Defense: Cooperative Projects

Agreement signed at Washington and Stockholm

March 10 and April 22, 1997;

Entered into force April 22, 1997.

With annex.

AGREEMENT
BETWEEN
THE DEPARTMENT OF DEFENSE
OF THE UNITED STATES OF AMERICA
AND
THE GOVERNMENT
OF THE
KINGDOM OF SWEDEN
FOR
TECHNOLOGY RESEARCH AND DEVELOPMENT PROJECTS
DATED April 22, 1997

PREAMBLE

The Department of Defense of the United States of America and the Government of the Kingdom of Sweden, hereinafter referred to as the "Parties":

Having a common interest in defense technology;

Recognizing the General Security of Military Information Agreement between the Government of Sweden and the Government of the United States of America, dated 23 December 1981,¹ as amended, including the Industrial Security Annex thereto, dated 16 February 1982; and,

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

Seeking to make the best use of their respective research and technology capacities, eliminate unnecessary duplication of work and obtain the most efficient and cost effective results through cooperation in Technology Research and Development Projects;

Agreeing to equitably share both the costs of each Project and the benefits resulting from the Projects efforts; and

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

Have agreed as follows:

¹ Dated Dec. 4 and 23, 1981. TIAS 10309; 33 UST 4400.

ARTICLE I
DEFINITIONS OF TERMS AND ABBREVIATIONS

For the purposes of this Technology Research and Development Projects (TRDP) Agreement, the following definitions shall apply:

Agreement Authorities	Government officials listed in this Agreement that are authorized to act on behalf of the Parties in matters pertinent to this Agreement.
Annex Authorities	Government officials listed in this Agreement that are authorized to act on behalf of the Parties in matters pertinent to Annexes to this Agreement.
DoD	Department of Defense.
FMV	Defense Materiel Administration.
FOA	The National Defense Research Establishment.
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.
Contract	Any mutually binding legal relationship which obligates a Contractor to furnish supplies or services, and obligates one or both of the Parties to pay for them.
Contracting	The obtaining of supplies or services by Contract from sources outside the government organizations of the Parties. 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 Party, which has authority to enter into, administer, and/or terminate Contracts.
Contracting Officer	A person representing a Contracting Agency of a Party who has the authority to enter into, administer, and/or terminate Contracts.
Contractor	Any entity awarded a Contract by a Party's Contracting Agency.

Controlled Information	Governmental information and commercial proprietary information not regulated under the provisions of Article XI to which access limitations have been applied by a U.S. or Swedish authority in accordance with U.S. or Swedish laws and regulations, and which will be marked and handled in compliance with this Agreement.
Defense Purposes	Use in any part of the world by or for the armed forces of either Party.
Designated Security Authority(DSA)	The security office approved by national security authorities to be responsible for the security aspects of this Agreement.
Patent	Legal protection of the right to exclude others from making, using, or selling an invention. The term refers to any and all Patents including, but not limited to, Patents of implementation, improvement, or addition, petty Patents, utility models, appearance design Patents, registered designs, and inventor certificates or like statutory protection as well as divisions, reissues, continuations, renewals, and extensions of any of these.
Project	Specific collaborative activity to research and develop basic, exploratory or advanced technologies that are described in a Project Agreement to this TRDP Agreement.
Project Agreement (PA)	An implementing Agreement, added after the TRDP Agreement has been in force, which specifically details the terms of collaboration on a specific Project Agreement (PA).
Project Equipment	Any material, equipment, end item, subsystem, component, special tooling or test equipment used in the Project.
Project Background Information	Information not generated in the performance of the Project.
Project Foreground Information	Project Information generated in the performance of the Project.

Project Information	Any information provided to, generated in, or used in this Project regardless of form or type, including, but not limited to, that of a scientific, technical, business, or financial nature, and also including photographs, reports, manuals, threat data, experimental data, test data, 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 copyright, Patent, or other legal protection.
Project Invention	Any invention or discovery formulated or made (conceived or first actually reduced to practice) in the course of work performed under a 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.
PO	Project Officer.
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 governing authority is not a Party to this Agreement.

ARTICLE III SCOPE OF WORK

1. The scope of work for this TRDP Agreement shall encompass research and development collaboration on basic, exploratory and advanced technologies the maturation of which may lead to the development of technologically superior systems in the mid-1990s and beyond.
2. This TRDP Agreement does not preclude entering into any other agreement in the area of research and development on basic, exploratory and advanced technologies.
3. Full-scale development or production programs which may evolve from collaboration under one or more PAs to this TRDP Agreement are outside the scope of this TRDP Agreement and require conclusion of separate agreements.

ARTICLE IV
MANAGEMENT (ORGANIZATION AND RESPONSIBILITY)

1. The Deputy Under Secretary of Defense (International and Commercial Programs) is designated US Agreement Authority. The Head of the Department for Military Affairs is designated the Swedish Agreement Authority. The Agreement Authorities shall be responsible for:

- a. monitoring implementation of this TRDP Agreement and exercising executive-level oversight;
- b. reviewing and approving recommended amendments to this Agreement in accordance with Article XVII (Amendment, Termination, Entry Into Force and Duration);
- c. amending Annex A (Sample Project Agreement) to this Agreement in accordance with Article XVII (Amendment, Termination, Entry Into Force, and Duration); and
- d. resolving issues brought forth by the Annex Authorities.

2. The appropriate US Service Acquisition Executive or Defense Agency Director, or their designees, are designated US Annex Authorities for those projects within their respective Military Service or Defense Agency. The following are designated Swedish Annex Authorities to coordinate their respective PA efforts under this Agreement:

- a. The Defense Materiel Administration (FMV) represented by:
 1. The Chief of the Army Materiel Command.
 2. The Chief of the Naval Materiel Command.
 3. The Chief of the Air Force Materiel Command.
 4. The Chief of Joint Systems and Support Command.
- b. The National Defense Research Establishment (FOA) represented by The FOA Director General.

The Annex Authorities shall be responsible for:

- a. entering into appropriate PAs in accordance with this Agreement and national procedures;
- b. establishing an appropriate management structure for each PA considering its scope and the requirement for a Steering Committee (SC);
- c. appointing Project Officers (POs); and as appropriate, SC members; and

- d. providing administrative direction to POs and, as appropriate, SCs.
 - e. resolving issues brought forth by the POs.
3. The SC, if established, shall be responsible for:
- a. providing policy and management direction to the POs during PA execution.
 - b. monitoring overall implementation, including technical, cost, and schedule performance against requirements, and
 - c. reporting status and activity of assigned PAs on an annual basis to the respective Annex Authorities.
4. The POs shall have primary responsibilities for effective implementation, efficient management and direction of their assigned PA including technical, cost and schedule performance against requirements. Additionally, the POs shall be responsible for paragraph 3c above when no SC is established for their assigned PA.
5. The Annex Authorities, SCs, and POs will meet as required on a regular basis, alternatively in the United States and Sweden. The Chairman for each meeting will be the senior official of the host Party. During such meetings, all decisions will be made unanimously.
6. In order to ensure safe conduct of Project testing, a Party in whose country any Project tests are conducted shall have the overall responsibility for safety, and shall assure the availability of adequate medical services during such Project tests in accordance with the applicable laws, regulations and procedures of that country. In addition, each Party shall supply any safety training, instructions, or rules, as well as any special equipment or tools, required to safely operate, maintain, or repair the equipment during such Project tests in accordance with the applicable laws, regulations and procedures of that country.

ARTICLE V

SHARING OF TASKS AND FINANCIAL ARRANGEMENTS

1. Each Party will contribute its equitable share of the full financial and non-financial costs of the Project, including overhead costs, administrative costs, and costs of claims, and will receive an equitable share of the results of the Project. This equitable sharing of tasks will be detailed in each PA.
2. Each Party shall perform, or have performed, its tasks and shall use its best efforts to perform it within the costs specified in each PA.
3. The following costs shall be borne entirely by the Party incurring the costs:

- a. costs associated with any unique national requirements identified by a Party; and
 - b. any other costs outside the scope of this TRDP Agreement and its PAs.
4. A Party shall promptly notify the other Party if available funds are not adequate to fulfill its obligations under this Agreement. If a Party notifies the other Party that it is terminating or reducing its funding for this Project, both Parties shall immediately consult with a view toward continuation on a modified basis.
5. Detailed descriptions of the financial arrangements for a specific Project, including the total cost of the Project and each Party's share of the total cost will be included in the corresponding PA.

ARTICLE VI CONTRACTUAL ARRANGEMENTS

1. If either Party determines that Contracting is necessary to fulfill that Party's obligations under the scope of work of a PA of this TRDP Agreement, that Party shall contract in accordance with its respective national laws, regulations, policies and procedures.
2. If the Participants determine that Contracting is necessary to fulfill their obligations under a TRDP PA, 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 Party, the POs shall, upon request, be provided a copy of all statements of work prior to the development of solicitations to ensure that they are consistent with the provisions of this Agreement and the applicable PA.
4. Each Party's Contracting Agency shall to the maximum extent possible negotiate to obtain the rights to use and disclose Project Information required by Article VIII (Disclosure and Use of Project Information). Each Party's Contracting Agency shall insert into its prospective Contracts (and require its subcontractors to insert in subcontracts) suitable provisions to satisfy the requirements of this Agreement, including Article VIII (Disclosure and Use of Project Information), Article IX (Controlled Information), Article XI (Security) and Article XII (Third Party Sales and Transfers). During the Contracting process, each Party's Contracting Officer shall advise prospective Contractors of their obligation to immediately notify the Contracting Agency, before Contract award, if they are subject to any license or agreement that shall restrict that Party's freedom to disclose information or permit its use. The Contracting Officer shall

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 Party's Contracting Agency is unable to secure adequate rights to use and disclose Project Information as required by Article 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 Party's PO shall notify the other Party's PO of the restriction(s).

6. Each Party's PO shall promptly advise the other Party's PO of any cost growth, schedule delay, or performance problems of any Contractor for which its Contracting Agency is responsible.

7. No requirement will be imposed by either/any Party for worksharing or other industrial or commercial compensation in connection with this Agreement that is not in accordance with this Agreement.

ARTICLE VII PROJECT EQUIPMENT

1. Each Participant may provide Project Equipment identified as being necessary for executing a Project under this TRDP Agreement to the other Participant.

2. Each PA will identify the Project Equipment to be provided, if any. Provisions for the lease of Project Equipment for purposes of the PA will be set out in a separate agreement which will include provisions on liability for such Project Equipment.

ARTICLE VIII DISCLOSURE AND USE OF PROJECT INFORMATION

1. General

Both Parties recognize that successful collaboration depends on full and prompt exchange of information necessary for carrying out each PA. The Parties intend to acquire sufficient Project Information and rights to use such information to enable the collaboration on basic, exploratory and advanced technologies whose maturation may lead to the development of technologically superior systems in the mid-1990s and beyond. The nature and amount of Project Information to be acquired shall be in accordance with the objectives, and operational requirements stated in the PAs to this TRDP Agreement.

2. Government Project Foreground Information

- a. Disclosure: Project Foreground Information generated by government organizations in whole or in part shall be made available to both Parties without charge.
- b. Use: Each Party may use or have used this Project Foreground Information without charge for its Defense Purposes; however, if a Party intends to use or have used such Project Foreground Information in a sale or other transfer to a Third Party, the provisions of Article XII (Third Party Sales and Transfers) of this TRDP Agreement shall apply.

3. Government Project Background Information

- a. Disclosure: Each Party, upon request, shall disclose for the purpose of a PA any relevant Project Information in its possession not generated in the performance of that Project, provided that:
 - (1) the Project Background Information is necessary to or useful in the Project or for the use of Project Foreground Information. The Party in possession of the information shall determine whether such Project Background Information is "necessary to" or "useful in" the Project or "necessary" for the use of Project Foreground Information;
 - (2) the Project Background Information may be made available without incurring liability to holders of proprietary rights; and
 - (3) disclosure is consistent with national disclosure regulations of the furnishing Party.
- b. Use: Project Background Information disclosed by one Party to the other may be used without charge by the other Party for the purpose of a Project. However, the furnishing Party shall retain all its rights with respect to such Project Background Information.

4. Contractor Project Foreground Information

- a. Disclosure: Project Foreground Information generated and delivered by Contractors of one Party, shall be made available to the other Party without charge.
- b. Use: Each Party may use or have used this Project Foreground Information without charge for its Defense Purposes; however, if it intends to use or have used such Project Foreground Information from the other Party in a sale or other transfer to a Third Party, the provi-

sions of Article XII (Third Party Sales and Transfers) of this TRDP Agreement shall apply. The Parties will consider acquiring the legal rights to use Contractor Project Foreground Information in a sale during the negotiations with contractors.

5. Contractor Project Background Information

- a. Disclosure: Project Background Information generated by Contractors and delivered under Contracts shall be made available to the Parties provided the following conditions are met:
 - (1) the Project Background Information is necessary to or useful in the Project or for the use of Project Foreground Information. The Party in possession of the information shall determine, following consultation with the other Party, whether such Project Background Information is "necessary to" or "useful in" the Project or "necessary" for the use of Project Foreground Information;
 - (2) the Project Background Information may be made available without incurring liability to holders of proprietary rights; and
 - (3) disclosure is consistent with national disclosure regulations of the furnishing Party.
- b. Use: Project Background Information furnished by Contractors and disclosed to the Parties may be used by both Parties, without charge, for Project purposes only. However, subject to proprietary rights held by other than the Parties, such Project Background Information furnished by a Party may be used for Defense Purposes by the other Party, at fair and reasonable terms, when the use of such information is necessary for the use of Project Foreground Information. If a Party intends to use or have used the Project Background Information disclosed to it by the other Party in a sale or other transfer to a Third Party, the provisions of Article XII (Third Party Sales and Transfers) of this TRDP Agreement shall apply.

6. Proprietary Project Information

- a. All proprietary Project Information shall be identified and marked.
- b. The provisions of the US/Sweden Agreement Facilitating the Interchange of Patent Rights and Technical Information for Defense Pur-

poses, dated October 4, 1962¹ shall apply to proprietary Project Information related to this Agreement.

7. Patents

- a. Where a Party has or can secure the right to file a Patent application with regard to a Project invention, that Party shall consult with the other Party prior to filing of such Patent application. The Party having such right shall in other countries, file, cause to be filed, or provide the other Party with the opportunity to file on behalf of the Party holding such rights, or its contractors, as appropriate, Patent applications covering any such Project Invention. If a Party having filed or caused to be filed a Patent application decides to stop prosecution of the application, that Party shall notify the other Party of that decision and permit the other Party to continue the prosecution.
- b. Each Party shall be furnished with copies of Patent applications filed and Patents granted with regard to Project Inventions.
- c. Each Party shall unless otherwise stipulated by law or decree, acquire a non-exclusive, irrevocable, royalty-free license to practice or have practiced, by or on behalf of the Party, throughout the world for Defense Purposes, any Project Invention for which the other Party has or can obtain such rights.
- d. Patent applications which contain Classified Information, to be filed under this Agreement, shall be protected and safeguarded in accordance with the US/Sweden Agreement Approving the Procedures for Reciprocal filing of classified Patent Applications in the US and the Kingdom of Sweden, dated November 17, 1964.²
- e. Each Party will notify the other of any patent infringement claim and, insofar as possible, each Party will extend to the other Party any assistance in defending such claims arising in the course of work performed under a Project. The Parties will, in accordance with their national laws and practices, give their authorization and consent for use in accordance with the Agreement in the course of work performed under a Project of any invention covered by a Patent issued by their respective countries. Each Party is responsible for ensuring the handling of all Patent infringement claims made in its territory and to inform the other

¹ TIAS 5178; 13 UST 2161.

² Dated Oct. 20 and Nov. 17, 1964. TIAS 5690; 15 UST 2086.

Party of such claims and to consult with the other Party during the handling, and prior to any settlement of such claims.

ARTICLE IX CONTROLLED INFORMATION

1. Except as otherwise provided in this TRDP Agreement or authorized in writing by the originating Party, Controlled Information provided or generated pursuant to this TRDP Agreement and its PAs shall be controlled as follows:
 - a. such information shall be used only for the purposes authorized for use of Project Information as specified in Article VIII (Disclosure and Use of Project Information);
 - b. access to such information shall be limited to personnel whose access is necessary for the permitted use under subparagraph 1a above, and shall be subject to the provisions of Article XII (Third Party Sales and Transfers); and
 - c. each Party shall take all lawful steps, which may include national classification, available to it to keep such information free from further disclosure (including requests under any public access provisions), except as provided in subparagraph 1b above, unless the originating Party consents to such disclosure. In the event of unauthorized disclosure, or if it becomes probable that the information may have to be disclosed to a third party or a judicial body under any legislative provision, immediate notification shall be given to the originating Party.
2. To assist in providing the appropriate controls, the Parties must agree in advance on the marking to be placed on the Controlled Information.
3. Controlled Information provided or generated pursuant to this TRDP Agreement and any of its PAs shall be stored, handled and transmitted in a manner that ensures control as provided for in paragraph 9.1. Prior to authorizing the release of Controlled Information to Contractors the Parties shall ensure the Contractors are legally bound to control such information in accordance with the provisions of this Article.

ARTICLE X VISITS TO ESTABLISHMENTS

1. Each Party shall permit visits to its government establishments, agencies and laboratories, and Contractor industrial facilities by employees of the other Party or by employees of the other Party's Contractor(s), provided that the visit is

authorized by both Parties and the employees have any necessary and appropriate security clearances and a need-to-know.

2. All visiting personnel shall be required to comply with security regulations of the host Party. Any information disclosed or made available to visitors shall be treated as if supplied to the Party sponsoring the visiting personnel, and shall be subject to the provisions of this Agreement.

3. Requests for visits by personnel of one Party to a facility of the other Party shall be coordinated through official channels, and shall conform with the established visit procedures of the host country. Requests for visits shall bear the name of the Project.

4. Lists of personnel of each Party required to visit, on a continuing basis, facilities of the other Party shall be submitted through official channels in accordance with Recurring International Visit Procedures.

ARTICLE XI SECURITY

1. Classified information or material provided or generated pursuant to this Agreement shall be stored, handled, transmitted and safeguarded in accordance with the General Security of Military Information Agreement between the Government of Sweden and the Government of the United States of America, dated 23 December 1981, as amended, the Industrial Security Annex thereto, dated 16 February 1982, and any other agreements relating thereto which have been or may hereinafter be concluded by the Parties. Classified Information exchanged under the Project will be marked and safeguarded as follows:

- a. Swedish Classified Information or Material marked as HEMLIG will be safeguarded as U.S. SECRET.
- b. U.S. SECRET or CONFIDENTIAL Information or Material will be safeguarded as HEMLIG.
- c. Additionally, Project Classified Information or Material may be marked, stored, handled, transmitted, and safeguarded in accordance with the arrangements contained in the DoD and Chief of Staff, Supreme Commander of the Swedish Armed Forces letters of 20 June 1983 and 4 October 1983¹ respectively. The detailed procedures that implement these arrangements shall be contained in the Project Security Instruction.

¹No record of this document in Office of Treaty Affairs' files.

2. Classified Information and material shall be transferred only through official government-to-government channels or through channels approved by the Designated Security Authorities (DSAs) of the Parties. Such information and material shall bear the level of classification, denote the country of origin, the conditions of release, and the fact that the information relates to this Agreement.

3. Each Party shall take all lawful steps available to it to ensure that information provided or generated pursuant to this Agreement is protected from further disclosure, except as permitted by paragraph 8 below, unless the other Party consents to such disclosure. Accordingly, each Party shall ensure that:

- a. The recipient shall not release the Classified Information to any government, national, organization, or other entity of a Third Party without the prior written consent of the originating Party in accordance with the procedures set forth in Article XI (Third Party Sales and Transfers).
- b. The recipient shall not use the Classified Information for other than the purposes provided for in this Agreement.

4. The Parties shall investigate all cases in which it is known or where there are grounds for suspecting that Classified Information or material provided or generated pursuant to this Agreement has been lost or disclosed to unauthorized persons. Each Party also shall promptly and fully inform the other Party 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. The PO shall prepare a Project Security Instruction and a Classification Guide for each project entered into by Annexes to this Agreement. Each Project Security Instruction and Classification Guide shall describe the methods by which Project Information and material shall be classified, marked, used, transmitted, and safeguarded. The Instructions and Guides shall be developed within three months after each Annex to this Agreement enters into force. They shall be reviewed and forwarded to the appropriate DSA and shall be applicable to all government and Contractor personnel participating in the Projects. The Classification Guides shall be subject to regular review and revision with the aim of downgrading the classification whenever this is appropriate. The Project Security Instructions and the Classification Guides shall be approved by the appropriate DSA prior to the transfer of any Classified Information or Controlled 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 Agreement only when enforceable measures are in effect to ensure that nationals or other entities of a Third Party shall 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 Party shall be consulted for approval prior to permitting such access.

7. For any facility wherein Classified Information or material is to be used, the responsible Party or Contractor shall approve the appointment of a person or persons to exercise effectively the responsibilities for safeguarding at such facility the information or material pertaining to this Agreement. These officials shall be responsible for limiting access to Classified Information or material involved in this Agreement to those persons who have been properly approved for access and have a need-to-know.

8. Each Party shall 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 Project.

9. Information or material provided or generated pursuant to this Agreement may be classified as high as SECRET. The existence of this Agreement is UNCLASSIFIED, and the Preamble and all the Articles of this Agreement are UNCLASSIFIED.

ARTICLE XII

THIRD PARTY SALES AND TRANSFERS

1. The Parties shall not sell, transfer title to, disclose, or transfer possession of Project Foreground Information to any Third Party without the prior written consent of the other Party. Furthermore, neither Party shall permit any such sale, disclosure, or transfer, including by the owner of the item, without the prior written consent of the other Party. Such consent shall not be given unless the government of the intended recipient agrees in writing with the Parties that it will:

- a. Not retransfer, or permit the further retransfer of, any equipment or information provided.
- b. Use, or permit the use of, the equipment or information provided only for the purposes specified by the Parties.

2. A Party shall not sell, transfer title to, disclose, or transfer possession of Project Equipment or Project Background Information provided by the other Party to any Third Party without the prior written consent of the Party which provided such equipment or information. The providing Party shall be solely

responsible for authorizing such transfers and, as applicable, specifying the method and conditions for implementing such transfers.

3. Consent for Third Party sales and transfers of Foreground Project Information shall not be withheld except for reasons of foreign policy, national security, or national laws. No Party shall refuse approval of a sale or transfer to a Third Party when it would be willing to sell or transfer such equipment or information to the same Third Party.

4. Any Third Party sales and other transfers by a Party, or a Party's Contractors, of Foreground Project Information generated under this Agreement shall include a non-recurring cost recoupment levy to be shared between the Parties. Prior to any such sale or other transfer, the amounts of this levy and the procedures for assessing and distributing such levies will be mutually determined by both Parties. Either Party may reduce the assessment of its share of the levy.

ARTICLE XIII LIABILITY AND CLAIMS

1. Claims arising out of activities taking place under this Agreement shall be dealt with as follows:

- a. The Parties waive all their claims, other than contractual claims and claims for damage, loss or destruction of Project Equipment under Article VII, against each other, and against their military members and civilian employees, for damage, loss or destruction of property owned or used by either Party, if such damage, loss or destruction:
 - (1) was caused by a military member or a civilian employee in the performance of official duties, or
 - (2) arose from the use of any vehicle, vessel or aircraft owned by the other Party and used by either Party's military members or civilian employees, provided that the vehicle, vessel or aircraft causing the damage, loss or destruction was being used for official purposes, or that damage, loss or destruction was caused to property being so used.
- b. The Parties waive all their claims, other than claims related to Project Equipment under Article VII, against each other and against the other's military members and civilian employees for injury or death suffered by any of its military members or civilian employees while such member or employee was engaged in the performance of official duties.

- c. Nothing herein shall be construed as waiving the claims, or suits of individual military members of either Party, their civilian employees, or any other persons that might exist under applicable law.
- d. Claims, not covered by subparagraphs a. and b. above, shall be dealt with by each Party in accordance with its national laws and any applicable international Agreements between the Parties.

ARTICLE XIV
CUSTOMS DUTIES, TAXES, AND SIMILAR CHARGES

1. Customs duties, import and export taxes, and similar charges shall be administered in accordance with each Party's respective laws and regulations. Insofar as existing national laws and regulations permit, the Parties shall endeavor to ensure that such readily identifiable duties, 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 each Project.

2. Each Party shall 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 Party in whose country they are levied shall endeavor to bear such costs in the spirit of reciprocity.

ARTICLE XV
SETTLEMENT OF DISPUTES

1. Disputes between the Parties arising under or relating to this Agreement and any of its PAs shall be resolved only by consultation between the Parties and shall not be referred to a national court, an international tribunal, or to any other person or entity for settlement.

ARTICLE XVI
LANGUAGE

- 1. The working language for this Agreement shall be the English language.
- 2. All data and information generated under this Agreement and its implementing Contracts and provided by one Party to the other Party shall be furnished in the English language.

ARTICLE XVII

AMENDMENT, TERMINATION, ENTRY INTO FORCE, AND DURATION

1. This TRDP Agreement and its Annexes may be amended by written agreement of the Parties.
2. This TRDP Agreement may be terminated at any time by the written consent of the Parties. The PAs may be terminated at any time by the written consent of the Annex Authorities. In the event the Parties decide to terminate the Agreement, or the Annex Authorities decide to terminate any PA, the Parties shall consult prior to the date of termination to ensure termination on the most economical and equitable terms.
3. In the event that a Party finds it necessary to unilaterally terminate its participation in this Agreement, or a Party's Annex Authority finds it necessary to unilaterally terminate its participation in a PA, such termination shall be subject to the provisions of this Agreement. The terminating Party shall continue participation until the effective date of termination.
4. This TRDP Agreement and any of its PAs may be terminated by either Party upon 120 days written notice to the other Party. Such notice shall be the subject of immediate consultation by the Annex Authorities to decide upon the appropriate course of action. In the event of such termination, the following rules apply:
 - a. The terminating Party shall continue participation, financial or otherwise, in all Projects subject to the notice of termination, until the effective date of termination.
 - b. Each Party shall pay the costs it incurs as a result of termination.
 - c. All Project Information and rights therein received under the provisions of this TRDP Agreement and any PAs prior to the termination shall be retained by the Parties, subject to the provisions of this TRDP Agreement.
4. The respective rights and responsibilities of the Parties regarding Article VIII (Disclosure and Use of Project Information), Article IX (Controlled Information), Article XI (Security), Article XII (Third Party Sales and Transfers), and Article XIII (Liability and Claims), shall continue notwithstanding termination or expiration of this TRDP Agreement and any of its PAs.
5. This TRDP Agreement consists of the Preamble, seventeen (17) Articles, and one Annex and will enter into force upon signature by both Parties, and shall remain in force for 10 years unless terminated by either Party. It may be

extended by written agreement of the Parties. All PAs shall terminate upon the termination or expiration of this TRDP Agreement.

IN WITNESS WHEREOF, the undersigned, being duly authorized, have signed this Agreement.

DONE, in duplicate, in the English language.

FOR THE DEPARTMENT OF DEFENSE FOR THE GOVERNMENT OF THE
OF THE UNITED STATES OF KINGDOM OF SWEDEN
AMERICA

Paul G. Kaminski
Signature

Lena Jönsson
Signature

Paul G. Kaminski
Name

Lena Jönsson
Name

UNDER SECRETARY OF DEFENSE
(ACQUISITION & TECHNOLOGY)
Title

State Secretary
Title

MAR 10 1997
Date

April 22 1997
Date

Washington, DC
Location

Stockholm
Location

ANNEX A (SAMPLE PROJECT AGREEMENT)
to
THE US-SWEDEN TECHNOLOGY RESEARCH AND DEVELOPMENT
PROJECTS
AGREEMENT
DATED MM/DD/YY
PROJECT AGREEMENT NO. _____
BETWEEN
THE DEPARTMENT OF DEFENSE
OF THE UNITED STATES OF AMERICA
AND
THE GOVERNMENT
OF THE
KINGDOM OF SWEDEN
CONCERNING
(FULL DESIGNATION OF THE PROJECT)

Project Agreement Numbers will be structured as follows:

TRDP-US-SW-XX-NN-nnnn where XX is a U.S. Military Service or Defense Agency designator such as A for Army, D for Department of Defense, N for Navy, AF for Air Force; NN is the calendar year, and nnnn is a sequential number.

INTRODUCTION

This Project Agreement (PA) is entered into pursuant to the Agreement between the Department of Defense of the United States of America and the Government of the Kingdom of Sweden concerning Technology Research and Development Projects of (date). The Annex Authorities for this PA are _____.

DEFINITION OF TERMS AND ABBREVIATIONS

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

OBJECTIVES

The objectives of this _____ Project are:

a. the development of _____

b. the improvement of _____

SCOPE OF WORK

The following work will be undertaken under this PA.

a. Develop _____

b. Evaluate _____

c. Design, fabricate and test _____

SHARING OF TASKS

The sharing of tasks will be as follows:

a. The DOD will _____

b. FMV/FOA will _____

c. DOD and FMV/FOA will jointly _____

BREAK DOWN AND SCHEDULE OF TASKS

(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	qtr/yy	qtr/yy

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

<u>Phase 2</u>	<u>Start</u>	<u>End</u>
Description of Phase 2	qtr/yy	qtr/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	qtr/yy	qtr/yy

(Milestone 3) (e.g. Evaluation, analysis of results)

(Add as many phases as necessary)

The final report must be transmitted to the Annex Authorities six months before the termination date for this PA.

MANAGEMENT

1. Steering Committee:

(It is anticipated that most Projects will not need the establishment of a Steering Committee; 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 _____

Swedish Co-Chairman
Title/Position _____
Organization _____
Address _____

2. Project Officers:

US PO
Title/Position _____
Organization _____
Address _____

Swedish PO
Title/Position _____
Organization _____
Address _____

3. Particular Management Procedures:

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

FINANCIAL ARRANGEMENTS

The Parties estimate that the cost of performance of the work under this PA shall not exceed X US dollars + Y Swedish Kronor.

The DOD share of the work shall not cost more than US dollars: _____.

FMV/FOA share of the work shall not cost more than Swedish Kronor: _____.

Cooperative efforts of the Parties over and above the jointly agreed work set forth in the SCOPE OF WORK and SHARING OF WORK and FINANCIAL ARRANGEMENTS sections shall be subject to amendment to this PA or signature of a new PA.

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/Hemlig; or
- c. The highest level of Classified Information exchanged under this PA is: Secret/Hemlig.

PRINCIPAL ORGANIZATIONS INVOLVED

(List government laboratories, universities, industry and other organizations for both the US and Sweden)

PROJECT EQUIPMENT
(OPTIONAL)

ENTRY INTO FORCE, DURATION AND TERMINATION

This _____ PA, a Project under the TRDP Agreement between the Department of Defense of the United States of America and the Government of the Kingdom of Sweden, shall enter into force upon signature by the Annex Authorities, and shall remain in force for _____ years unless terminated by either Party. It may be extended by written agreement of the Annex Authorities.

The US Annex Authority

Sweden TRDP Annex Authority

Signature

Signature

Name

Name

Title

Title

Date

Date

Location

Location